U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning
and Programming

800 Independence Ave., SW.
Washington, DC 20591

AVIATION DEPARTMENT
'04 JUN 10 P3 21

JUN 2 2004

Mr. Kevin C. Dolliole
Aviation Director
City of San Antonio
9800 Airport Boulevard
San Antonio, TX 78216-9990

Dear Mr. Dolliole:

Thank you for submitting the City of San Antonio Department of Aviation's FY 2004 Competition Plan update for San Antonio International Airport (SAT). We have reviewed your Competition Plan update and have determined that it is in accordance with the requirements of section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), Pub. L. 106-181, April 5, 2000, codified as Title 49 U.S. Code sections 40117(k) and 47106(f).

The SAT FY 2004 Update indicates the airport has implemented additional competitive actions, including the following policies and practices:

- Obtained, under the Airline-Airport Use and Lease Agreement effective in October 2004, the following:
  - The right to reassign airline space from one carrier to another carrier as a measure of obtaining optimum balance in the overall utilization of available terminal/apron facilities;
  - The right to require the sharing of preferential use leased space, as may be required; and
  - Removal of the exclusive use provisions for gates and hold rooms under the former lease agreement.
- Included a provision in the Airport Use and Lease Agreement that limits the weighted majority of airlines to a 180 day deferral of capital construction projects that they do not agree with;
- Established an aggressive air service marketing and development program, along with an incentive program for new routes to attract airline expansion at SAT and increase the number of destinations served from SAT;
- Established three common use city-operated gates in Terminal 2 and one in Terminal 1, available to all airlines on a first-come, first–served basis. Terminals 1 and 2 have vacant ticket counter, office, operations office and baggage make-up space readily available for lease;

- Assigns gates and facilities using several options for use and lease arrangements:
  - Handling agreement with a signatory airline;
  - Sublease with a signatory airline;
  - Month-to-month or shorter term agreements for non-signatory airlines; and
  - Signatory with the City;
- Requires prior written consent by the Aviation Director for all subleasing arrangements;
- Assigns all remain overnight (RON) positions on a first-come first-served basis;
- Reduces the Joint Use Premises charge to encourage use of SAT facilities for small, non-signatory airlines;
- Completed installation of a Multi-User Flight Information Display System equipment that will assist the City's gate monitoring program; and
- Posts the Competition Plan on the SAT web site.

Your Plan update also indicates the airport plans to implement the following competitive actions:

- Consider implementing a formal gate monitoring program should the number of unassigned gates fall below 15 percent of the total City-operated common-use and vacant gates;
- Plans to construct a new seven gate Concourse B scheduled for completion by 2007; and
- Plans to construct Concourse C an eight gate, expandable up to 11 gates, projected for completion in 2009.

Finally, we recommend that you continue to post the Competition Plan on the SAT web site.

We look forward to reviewing the future updates to your Competition Plan. Your next update shall be due 18 months after the date of approval of this update. We will notify you before the end of your 18-month cycle as to whether you remain a covered airport. As you may know, the Secretary is required by section 40117(k) to review implementation of Competition Plans from time to time to verify each covered airport implements its plan successfully. In connection with our review, we may determine that site visits to, or teleconferences with, one or more locations would be useful. We will notify you should we decide to visit SAT in connection with a review of your Competition Plan.

If you have any questions regarding this letter or the FAA's review of your Plan, please contact Ms. JoAnn Horne, Manager, Airports Financial Analysis and Passenger Facility Charge Branch, at (202) 267-3831.

Sincerely,

Dennis E. Roberts

Dennis E. Roberts
Director, Office of Airport Planning
and Programming

Enclosure

# AIRPORT COMPETITION PLANS

## *Highlights of Reported Actions to Reduce Barriers to Entry and Enhance Competitive Access*

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April 2003

## I. AVAILABILITY OF GATES AND RELATED FACILITIES

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| ***Major Elements of Competition Plan*** | • Number of gates available at the airport by lease arrangement.<br>• Samples of gate use monitoring charts.<br>• Description of the process for accommodating new service and for service by a new entrant.<br>• Description of any instances in which the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or has it caused such gates to become available to others.<br>• Policy regarding "recapturing" gates that are not being fully used.<br>• Resolution of any access complaints during the 12 months preceding the filing.<br>• Use/lose or use/share policies for gates and other facilities.<br>• Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at the airport.<br>• Availability of an airport competitive access liaison for requesting carriers, including new entrants.<br>• The resolution of any complaints of denial of reasonable access by a new entrant or an air carrier seeking to expand service in the 12 months preceding the filing of the plan. |
| ***Significant Airport Responses*** | • Asserting control over underutilized gates.<br>• Designating Competition Access committees.<br>• Adopting more entry-friendly leasing terms.<br>• Removing specific access protections for signatory carriers.<br>• Providing new entrants with informational packages regarding airport access.<br>• Monitoring gate use.<br>• Streamlining forced accommodation process. |

***Highlights of Recent Actions Reported by Individual Airports:***

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|---|---|
| Anchorage | Converted from exclusive to preferential leases upon expiration of exclusive leases; created Competitive Access Team; uses web site to publish gate utilization information. |
| Atlanta | Provides handbook with airport information to requesting carriers and is invoking recapture authority for unused facilities. |
| BWI | Developed Airline Accommodations Committee consisting of air service development, operations, planning and commercial management offices. |
| Burbank | Designates official as new entrant liaison and provides guidance package. |
| Cincinnati | Using Competition Plan Coordinator to develop procedures and time lines to respond in a timely manner to requests for accommodation. |
| Cleveland | Competition Task Force established to ensure implementation of competition plan and pursue expansion and growth options; will develop new entrant handbook; assigns Administrative Officer to each airline to monitor sublease activity, assess operational needs to ensure efficiency of use. |
| Detroit | Adopted a policy to override strict "exhaustion of efforts" clause in its lease provision by assisting a requesting carrier to ease any burden and reduce unnecessary delays associated with acquiring gates and related facilities when the airport is unable to provide those facilities. |
| Houston Hobby/Inter-continental | Renegotiated long-term, exclusive use leases to shorter term, preferential, minimum-use leases (at some terminals) with commitment on part of airport to facilitate inter-carrier accommodations upon request of interested airline; developed Welcome Letter package to include gate usage information and a general Dispute Resolution Policy Statement, as well as other pertinent information. |

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| Milwaukee | Removed potential obstacle for accommodation that enabled a signatory carrier to refuse to accommodate a "direct competitor." |
| Minneapolis | Undertook Competitive Marketing initiatives with low-fare carriers and created short-term gates with preferences for new entrant carriers; created new entrant package with plans to publish information package on web site. |
| Nashville | Streamlining exhaustion of efforts requirement by using web site to encourage new entrants to contact airport directly, assists carrier with voluntary accommodation and negotiations, under a timeline; intends to recapture vacant leased gates upon request of another carrier. |
| Newark | Initiated review of Master Airline leases, identified provisions enabling airport to regain more control over the use of gates; moved to recapture gates or to force accommodation on gates, based on utilization study; streamlined forced accommodation clause by removing an exhaustion of efforts; appointed New Entry Manager and developed New Entrant Airline Rights package. |
| Oakland | Installing common use ticketing equipment at ticket counters and gates so that all airlines operating there will use identical gate check-in and gate CUTE equipment, thereby providing maximum flexibility in assigning gates, even on a per flight basis, thereby increasing the opportunities for competition; provides Airline Entry Package and airport facilitates negotiations between requesting carriers and incumbents. |
| Providence | Facilitates gate sharing requests and will not enforce lease clause requiring requesting airline to contact all signatories. |
| Sacramento | Is formalizing gate availability information by preparing an Airline Information Package containing information on available gates, terms of access, and procedures for securing facilities for new service, to be made available on the airport's web page and upon request. |
| Salt Lake City | Start Up Package provided to requesting carriers includes a gate utilization report summary, a statement about the airport's dispute resolution practices, as well as other necessary information about operating at the airport. |
| San Antonio | Negotiated expiring lease to provide for preferential-use; Aviation Department assists requesting airlines in gaining access. |
| San Francisco | Invoked forced accommodation clause to ensure that temporary gate needs of new entrant airlines were met. |
| San Jose | Established a Tenant Liaison Committee to respond to requests for access within a reasonable time, gather appropriate information, meet with relevant airport personnel, provide gate utilization information to requesting airline, and act as an intermediary between prospective airline and incumbent airline to expedite accommodation; assigned Property Management personnel as first point of contact. |
| San Juan | Developing policy on gate use and monitoring requirements to be applied to all gates, drafting sublease guidelines and requirements, developing complaints and disputes resolution policy and developing a master lease incorporating the referenced policies and procedures. |

## II. ARRANGE FOR LEASING AND SUBLEASING

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| ***Major Elements of Competition Plan*** | • Whether a subleasing or handling arrangement with incumbent carrier is necessary.<br>• How the airports assists requesting airlines to obtain a sublease or handling arrangement.<br>• Airport oversight policies for sublease fees.<br>• Process by which availability of facilities for sublease or sharing is communicated to other interested carrier.<br>• Airport policies regarding sublease fees.<br>• How complaints by sub-tenants about excessive sublease fees are resolved.<br>• How independent contractors who want to provide such service as ground handling are accommodated.<br>• Formal dispute resolution procedure. |
| ***Significant Airport Responses*** | • Beginning to develop dispute resolution process.<br>• Asserting more control and oversight over sublease fees, terms, and conditions.<br>• Imposing sublease caps on administrative fees.<br>• Reviewing and/or pre-approving subleases.<br>• Notifying carriers of gates available for subleases. |

***Highlights of Recent Actions Reported by Individual Airports:***

| | |
|---|---|
| Albuquerque | Adopting dispute resolution procedures. |
| Anchorage | Requires airport approval and caps administrative fees; adopting dispute resolution procedures. |
| Atlanta | Adopting dispute resolution procedures. |
| Austin | Requires airport approval and caps administrative overhead fees. |
| BWI | Caps fees and requires airport approval. |
| Chicago O'Hare | Adopting dispute resolution procedures. |
| Chicago Midway | Gate committee is developing dispute resolution procedures for use on domestic gates. |
| Cleveland | Pre-approves subleases, caps fees; common-use gate protocol manages gate occupancy times and fines user for failure to comply; adopting dispute resolution procedures. |
| Dallas Love Field | Adopted a policy to cap sublease administrative fees. |
| Dallas-Fort Worth | Adopting dispute resolution procedures. |
| Denver | Adopting dispute resolution procedures. |
| Detroit | Caps sublease fees for forced accommodation arrangements; requires airport approval for subleases with new entrants; gate utilization policy assures that subtenant will not be disadvantaged by a schedule change of the tenant. |
| Houston Hobby/Inter-continental | Will initiate the development of a formal dispute resolution process. |
| Kahului | Requires pre-approval of a sublease and discourages excessive sublease rents. |

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| Memphis | Adopting dispute resolution procedures. |
| Newark | Is developing more formalized procedures for hearing complaints in addition to considering complaints at station manager or airlines affairs meetings. |
| Oakland | Requires airport manager's pre-approval for sublease or assignment; restricts amount of assigned space that may be assigned or sublet to another airline; caps fees. |
| Ontario | Is developing a Gate Use Committee to resolve disputes, set timeline for appeals |
| Palm Beach | Pre-approval required for subleases; airport has authority to recapture subleased facilities when they represent over 50% of the tenant's leasehold; caps administrative fees; adopting dispute resolution procedures. |
| Reno | Adopting dispute resolution procedures. |
| San Antonio | Adopting dispute resolution procedures. |
| Saint Louis | Airport consent required for subleases; ground-handling fees are subject to airport oversight; preferential-use sublease terms and fees subject to airport oversight; will address sublease markups in new airline use agreement. |
| San Jose | Developed an Airline Access Complaint form and established procedures for resolving complaints within a reasonable time. Also oversees sublease fees per revised lease and applies, as a matter of policy, sublease fee caps on subleases executed under older master lease. |
| San Francisco | Adopting dispute resolution procedures. |
| Washington Dulles | Requires prior approval of subleases and handling agreements; caps sublease fees. |

## III. PATTERNS OF AIR SERVICE

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|---|---|
| ***Major Elements of Competition Plan*** | • Markets serviced.<br>• Small communities served.<br>• Markets served by low-fare carrier.<br>• New markets added or dropped in past year |
| ***Significant Airport Responses*** | • Using market analysis to add competitive services.<br>• Using marketing tools to attract low-fare services. |

***Highlights of Recent Actions Reported by Individual Airports:***

| | |
|---|---|
| Albuquerque | Instituted New Entrant Promotional Program as an incentive to promote competition. |
| Charlotte | Performed a Competitive Air Service Assessment indicating possibilities for adding low fare carrier service on certain routes; implemented marketing plan to attract additional service. |
| Palm Beach | Eliminated surcharge on use of common-use gates for a seasonal or temporary basis; is conducting an "air service enhancement campaign" to increase the air service opportunities available at its airport and to enhance the revenue-generating opportunities for airlines. |

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| Pittsburgh | Provides Airline Information Package; adopted Air Service Marketing Incentive Program to encourage new and competitive air service for existing and new carriers. |
| Reno | New Airline Incentive Policy implemented; Business Development and Property Administration Division coordinates the accommodation of services and facilities for new entrants, including assisting in negotiations with incumbent signatory airlines and participation in incentive programs. |

## IV. GATE ASSIGNMENT POLICY

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| ***Major Elements of Competition Plan*** | • Method of informing carriers of gate assignment policy.<br>• Methods for announcing to carriers when gates become available.<br>• Policies on assigning RON positions. |
| ***Significant Airport Responses*** | • Adopting gate assignment protocols with consideration for new entrants.<br>• Changing signatory policies to lessen burdens on new entrants.<br>• Notifying all carriers of gate availability. |

***Highlights of Recent Actions Reported by Individual Airports:***

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|---|---|
| Anchorage | Posts gate utilization information and availability on web site; is required to post public notice prior to leasing space. |
| Atlanta | Will add link to web site for tenant information; will post information on underused gates after gate use surveys. |
| BWI | Will revise policy to offer signatory status to any airline willing and qualified to assume substantially similar obligations as those required of a signatory carrier when, due to the physical space limitations at the airport, that airline is otherwise precluded form leasing a full complement of space. Also, will post gate/hold room availability information on its web page and will advertise announcements of gates. |
| Charlotte | Non-signatory/new entrant landing fee is the same as a signatory landing fee. |
| Chicago O'Hare | Notified all carriers by facsimile of availability of common-use gate. |
| Houston Inter-continental | Reassigned underused leased space to an incumbent air carrier for its expansion. |
| Miami | Prohibits carriers from controlling gate assignments and from transferring or assigning ticket counter positions; requires sharing of contiguous and under-utilized ticket counters. |
| Nashville | Will post information on gate availability on its web site. |
| Newark | Notified interested subtenant carriers of potential gate availability during Master Lease Utilization review process; adopted common use procedures (for use to resolve competing interests in a gate) with a priority to new entrants offering competitive services. |
| Oakland | Provides written notification to airlines as gates become available and includes estimate date of availability; requesting airlines must provide current and planned schedule information. |

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| Philadelphia | Intends to assign new gates on basis of accommodating competitive airline service, considering, among other factors, whether airline is a "low fare" airline, nonstop markets, size of aircraft, frequency of operations, etc. |
| Pittsburgh | For PFC-financed gates, airport will give priority to new, competitive airline service; signatory fee status not dependent on minimum leasehold. |
| Phoenix | Is studying the development of contractual and/or regulatory tools to allow airport to better coordinate gate-sharing opportunities; provides gate use and schedule information to prospective entrant carriers; provides New Entrant Information package, containing gate utilization information, to prospective entrant to enable it to make informed decision on which incumbent air carriers to contact for shared gate agreements. |
| Sacramento | Replaced County ordinance gate assignment process with a lease agreement providing for short-term, preferential-use leases subject to airport reassignment; is developing Airline Information Package to be provided on airport's web page. |
| Saint Louis | Signatory status is available to subtenants; gate assignment procedures will be published on web site; simultaneously advises all carriers of gate availability; will use its web site to publish relevant information for serving airport; is developing and placing timelines for access; City agent is contact point for City gates as well as facilitating sublease accommodation. |

## V. GATE USE REQUIREMENT

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| ***Major Elements of Competition Plan*** | • Gate use monitoring policy.<br>• RON monitoring policy.<br>• Requirement for signatory status.<br>• Minimum requirements for a lease.<br>• Accommodation priorities.<br>• Common-use gate usage policies.<br>• Methods for calculating rental rates for common-use gates. |
| ***Significant Airport Responses*** | • Developing per-gate use monitoring policies.<br>• Making gate usage information available.<br>• Adopting similar minimum utilization requirements for incumbent and new entrant carriers. |

***Highlights of Recent Actions Reported by Individual Airports:***

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|---|---|
| Anchorage | Uses its newly installed Multi-User Flight Information Display System (MUFIDS) to identify space to fill specific requests as they arise and to determine which gate are subject to recapture; information is made available upon request and on web site; RON positions are monitored through ground handler. |
| Chicago Midway | Monitors gates on a per-gate basis to track airline compliance with preferential lease utilization requirements, implement shared-use provisions, develop gate use procedures, and analyze construction phasing, and develop utilization criteria. Also used to schedule airport services such as parking, custodial services, concessions and security. |
| Dallas-Fort Worth | Instituted formal Gate Monitoring and Reporting Procedures, under auspices of a Gate Monitoring Task Force, in support of PFC competitive access assurance, using FIDS-produced monthly gate activity reports and flight activity reports, for summary daily gate utilization activity by gate and terminal. |

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| Denver | Will negotiate a narrower "preferential" gate availability window with its hubbing carrier and will review the use/lose provisions to ensure they are pro-competitive; drafted 5 Year Strategic Business Plan. |
| Detroit | Formulated a policy for (1) a gate allocation package that will chart scheduled daily and weekly departures per carrier and (2) an on-going gate monitoring program to determine whether minimum utilization is met. |
| Miami | Has an active gate-monitoring program to control gate assignments on a daily basis. |
| Minneapolis | Generates bimonthly gate plot based on scheduled gate usage, modified to reflect actual usage. |
| Oakland | Monitors gate usage and analyzes and maps flight schedules on a weekly basis to determine availability of space and minimum gate usage, for purposes of determining whether to exercise the 30 day revocation process for a preferential-use gate permit. |
| Palm Beach | Monitors common-use gate utilization and uses airline provided monthly reports and airport daily monitoring to oversee preferential-use gate usage to determine whether a reallocation of gates should be undertaken to better balance user needs with terminal capacity, and for marketing purposes, that is, identifying high demand or un-served demand markets. |
| Pittsburgh | Uses new software to monitor gate usage on all gates and to identify opportunities to accommodate new entrants and maximize facility utilization. |
| Phoenix | Performs periodic studies of flight schedules to monitor gate utilization; will use the studies to communicate gate availability to prospective entrant carriers and will incorporate it in new entrant airline packet; will also use studies to better manage and adjust operating schedules for terminal food beverage and retail concessions; will perform formal gate utilization analysis for each carrier when vacancy rates subside. |
| Providence | Monitors gate use relying on airline schedule information; uses this information to assist a new entrant in identifying a potential signatory carrier to accommodate it. |
| Saint Louis | Monitors average daily gate utilization through scheduled daily flight information supplied by airlines; requires monthly gate utilization report in each short term preferential use permit and for new master preferential lease to replace that expiring at year end 2005. |

## VI. FINANCIAL CONSTRAINTS

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| ***Major Elements of Competition Plan*** | • Major source of revenue for terminal projects.<br>• Use of PFCs for gates and related terminals.<br>• Availability of discretionary income for capital improvement projects. |
| ***Significant Airport Responses*** | • Using discretionary income for gate projects. |
| ***Highlights of Recent Actions Reported by Individual Airports:*** | |
| Anchorage | New Airline Operating Agreement permits airport to rate-base capital projects required to accommodate a new entrant or expanding airline, under certain conditions. |
| Chicago O'Hare | Purchased exclusive-use gate with discretionary funds and converted it to common use. |

## VII. AIRPORT CONTROLS OVER AIRSIDE AND GROUNDSIDE CAPACITY

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| ***Major Elements of Competition Plan*** | • Majority-in-interest (MII) clauses covering projects.<br>• Projects delayed because MII clauses revoked.<br>• Plans to modify existing MII agreements. |
| ***Significant Airport Responses*** | • Exempting capital projects necessary for competition from MII votes. |
| ***Highlights of Recent Actions Reported by Individual Airports:*** | |
| Nashville | May consider, as not enforceable, an MII vote against a development project for the purposes of excluding competition, when the development project is necessary for the airport to meet its obligation to provide access on reasonable terms as required by the AIP assurances. |
| Providence | Interprets MII clause that excludes from MII concurrence projects to comply with Federal requirements as permitting airport to construct terminal facilities to enhance competition without MII approval. |

## VIII. AIRPORT INTENTIONS TO BUILD OR ACQUIRE GATES TO BE USED AS COMMON FACILITIES

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| ***Major Elements of Competition Plan*** | • Common-use gates available.<br>• Common-use gates scheduled to be built.<br>• International gates available for domestic use.<br>• Fee differences between international gate use for domestic service and domestic gates.<br>• Carrier reliance on common-use gates. |
| ***Significant Airport Responses*** | • Utilizing discretionary income to acquire common-use gates.<br>• Adopting common-use gate fees comparable to fees charged for leaseholds. |

***Highlights of Recent Actions Reported by Individual Airports:***

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|---|---|
| Anchorage | Converted from exclusive to short-term preferential (subject to recapture) and common-use gates. |
| Atlanta | Recaptured a temporary exclusive-use gate for preferential use, and converted one underused preferential-use gate to a common-use gate. |
| BWI | Installing common use terminal equipment (CUTE) in all common-use gates to enhanced the ability of airlines to share gates and hold rooms thereby increasing airport capacity. |
| Chicago O'Hare | Converted exclusive-use gate to common use. |
| Cleveland | Adopted protocol for common use gate with priorities given for (a) use by existing carrier that does not lease a gate, (b) a new entrant, and (c) an carrier seeking to expand; would apply this protocol, as needed to exclusive-use gates. Three gates converted to common use; common use gate legislation passed by City; gate program management contract developed; protocol adopted. |
| Houston Hobby/Inter-continental | Use CUTE system at all ticket counters; IAH has constructed common-use/preferential-use gates; HOU has common-use gates and is developing a standard fee for any common gate use to charge separately for gate use, ticket counter, and common facility use to eliminate confusion in combined "per turn" rates). |
| Nashville | Has several common-use gates available for requesting carriers; airport will negotiate vacant gate recapture, upon request. |
| San Jose | Is developing a common use philosophy for the design of new and renovated passenger terminal facilities, including the use of plasma signs, generically sized gates to facilitate sharing, an integrated data system similar to CUTE II to be installed at ticket counters and gate podiums, and a shared baggage screening system. |

## IX. AIRFARE LEVELS AS COMPARED TO OTHER LARGE AIRPORTS

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| ***Major Elements of Competition Plan*** | • Carrier local passenger, average fare, market share and average passenger trip-length data.<br>• Data above compared to other airports. |
| ***Significant Airport Responses*** | • Using fare data to illustrate competitive strength.<br>• Using market share data to attract new service. |

***Highlights of Recent Actions Reported by Individual Airports:***

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|---|---|
| Chicago O'Hare | Using fare data, actively tracks O'Hare's competitive position relative to other markets. |
| Palm Beach | Using market share data to highlight market opportunities for new and incumbent carriers. |
| 30 Airports | Published Competition Plan, including market-share data, on web page. |

# SAN ANTONIO INTERNATIONAL AIRPORT
# AIRLINE COMPETITION PLAN
# 2003-2004

## INTRODUCTION

San Antonio International Airport ("SAT") is owned by the City of San Antonio ("City") and operated by the City's Aviation Department. SAT is comprised of approximately 2,600 acres and is located within the city limits of San Antonio, Texas, approximately eight miles from the downtown area. SAT primarily serves the San Antonio metropolitan area, including Bexar and surrounding counties. There are no other commercial service airports within the primary service region. The Metropolitan Statistical Area (MSA) includes Bexar, Comal, and Guadalupe counties. On a regional level, SAT draws passengers from the north in the Texas Hill County to the west as far as Del Rio, south to Laredo and Harlingen and east to Corpus Christi. SAT and Austin-Bergstrom International Airport (70 miles north of San Antonio) compete for passengers along the Interstate 35 corridor, particularly San Marcos and northward. SAT is an origin and destination (O&D) airport, serving the South Texas region of approximately two million residents.

The City submitted its *Airline Competition Plan Fiscal Year 2000-2001* on August 4, 2000 to the Federal Aviation Administration ("FAA"). In November 2000, the City received FAA's review of this Plan. FAA determined that it was in accordance with the requirements of Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR 21), Pub. L. 106-181, April 5, 2000. In its approval letter, FAA also offered some recommendations when San Antonio updates its plan. Specifically, FAA recommended certain changes which would enhance airline competition at SAT, and which would be possible with the expiration of the City's Airline-Airport Use and Lease Agreement on September 30, 2001. An annual update (2001-2002 Competition Plan) was transmitted to the FAA on September 28, 2001. Upon request from the FAA for additional information, an addendum was submitted to the FAA on June 11, 2002. On November 2002, the City of San Antonio Aviation Department received the FAA's letter, dated September 18, 2002, indicating that the Plan update was in accordance with the requirements of section 155 of AIR-21. In the September 18, 2002 letter, the FAA requested additional information with the submission of the next update to the Plan (due March 18, 2004) to assist in understanding SAT's current business practices and policies. This second update, SAT's *Airline Competition Plan Fiscal Years 2003-2004* ("Plan"), includes requested changes, a copy of the current *Airline-Airport Use and Lease Agreement* ("Agreement") and Ordinance 94625, City Council's September 27, 2001 authorization and approval of the Agreement (Attachment G).

**EXECUTIVE SUMMARY – COMPETITION PLAN STATUS**

San Antonio is a very competitive market with 14 passenger airlines serving the market. During 2000, SAT enplaned a total of 3,647,094 domestic and international passengers. For the calendar year ending 2003, SAT enplaned a total of 3,250,741 domestic and international passengers, a 10 percent reduction following the September 11, 2001 terrorist attacks.

Of the total reported enplanements and deplanements for 2003 (Attachment A), low-fare **Southwest Airlines** holds the largest market share with 35 percent of the enplanements, followed by **American Airlines** with 19 percent (together 54 percent of total enplanements). **Continental Airlines** and **Delta** are next in market shares with 12 and 10.6 percent, respectively. San Antonio is also serviced by **United** (6.3 percent of the market), **Northwest Airlines** (5 percent of market), **America West Airlines** (3 percent) and **Mexicana** (1.8 percent), with the balance of scheduled service provided by **Midwest**, **Atlantic Southeast**, **Comair**, **Skywest**, **Aerolitoral and Aeromar**. In 2003, **American Trans**, **Casino Express**, **Miami Air International**, **Ryan International Air**, and **Transmeridian Airlines** provided scheduled charter services.

The following factors demonstrate the lack of barriers to entrant and incumbent airlines desiring to expand in the San Antonio Market:

a) The lack of barriers:
- No slot restrictions,
- No significant aircraft delays (results in savings to airlines), and
- Low cost per enplaned passenger ($4.76 in 2003) to the airlines.

b) Ample Airport space available for lease/use:
- 25 percent of the total dedicated airline space is unassigned (available for lease),
- One city-operated and two unassigned jet loading bridge gates readily available in Terminal 1,
- One unassigned jet loading bridge gate readily available in Terminal 2
- Three city-operated common-use gates available in Terminal 2,
- Ticket counter and office space is readily available for lease in both terminals,
- All gates and hold rooms are preferential-use,
- Preferential-use aircraft parking apron (gate) is available,
- RON aircraft parking is city-operated and assigned upon request, and
- Uniform, across-the-board airline rates and charges applicable to all preferential use facilities regardless to funding source.

c) Significant level of existing competition and ample airport space available for lease:
- Approximately forty percent of SAT passengers utilize low-cost carriers,
- Low airfares in effect (Compared to the top 100 U.S. passenger markets, SAT's
- Two or more carriers serve each of SAT's top 50 markets (Attachment C), and
- Seventeen of SAT's top 20 markets have a low-fare carrier presence.

d) No serious requests from carriers for SAT gate and hold room space and no complaints of denial of access by a new entrant or an incumbent air carriers have been received during the 12 months preceding the filing of this Plan. In December 2003, Great Plains Airlines indicated its intention to begin serving San Antonio and requested leasing information and options regarding available terminal space. A proposal offering several space configurations, as well as a choice of available gates or a sublease, was presented to Great Plains. In January 2004, Great Plains filed Chapter 11 bankruptcy.

e) Airport practices in place to increase airline competition at SAT:
   - Contractual provisions permitting reassignment of airline space,
   - An aggressive air service marketing and development program, along with an incentive program for new routes, is in place to attract airline expansion at SAT and increase the number of destinations served from San Antonio,
   - Three common use city-operated gates in Terminal 2 and one in Terminal 1,
   - Joint Use Premises charge reduction for any scheduled air carrier that is not a signatory and whose enplaned passengers equal less than one percent of the total enplaned passengers for the month the air carrier used Joint Use facilities (e.g., baggage claim).

Under the City's *Airline Competition Plan Fiscal Year 2003-2004*, San Antonio continues its long-term strategy to ensure competitive air service by providing airline access to SAT gates and terminal facilities. City officials actively encourage and support expansion of air service, as it strives to maximize and grow its business development interests.

The following provides additional details in accordance with those stipulated in the Program Guidance Letter (PGL) 03-01, dated November 19, 2002 (replaced Competition Plan Program Guidance Letter 00-3). The revised Plan also addresses business practices and procedures intended to encourage increased airline competition at SAT. Business practices to encourage expansion of air carriers in the market are further facilitated in the current *Airline-Airport Use and Lease Agreement* (Attachment G). The Agreement is effective October 1, 2001 and runs to either the Date of Beneficial Occupancy of proposed new Concourse B or at midnight on September 30, 2006, unless sooner terminated.

## PATTERNS OF AIR SERVICE & MARKETS SERVED

Attachment B lists the air carriers currently serving San Antonio and the nonstop/single plane markets they serve as of February 2004. Attachment B also lists the number of flights per day/per week. The following 16 air carriers (three of which are low-fare airlines) serve the San Antonio region:

| Airlines | No. of Nonstop Markets | Airlines | No. of Nonstop Markets |
|---|---|---|---|
| Aerolitoral | 1 | Delta Connection/ASA | 2 |
| Aeromar | 1 | Delta Connection/Comair | 1 |
| American Airlines | 2 | Delta Connection/Skywest | 1 |
| American Connection Chautauqua | 1 | Mexicana | 2 |
| America West Airlines | 1 | Midwest | 1 |
| Atlantic Southeast (ASA) Continental | 2 | Northwest Airlines | 3 |
| Airlines | 2 | Southwest Airlines | 11 |
| Continental Express | 2* | United Airlines | 2 |
| Delta Airlines | 2 | United Express/Skywest | 1 |

*Includes new nonstop service to Mexico City starting May 2, 2004.

On the average, SAT has approximately 125 commercial takeoffs per day to twenty-eight (28) (as of February 2004) nonstop domestic and international airports with continuing same plane service to an additional thirty-nine (39) domestic and international destinations. During the summer months, the number of nonstop destinations to Mexico increases as a result of seasonal charters.

With the exception of Harlingen, Texas, the majority of SAT nonstop flights are to major U.S. markets. Same plane service from San Antonio is currently available to a few small communities such as Midland/Odessa, TX and Steamboat Springs/Hayden, CO.

Approximately 38 percent of all San Antonio's domestic passengers travel to/from the top 10 markets listed in Attachment C (Department of Transportation's (DOT) top 50 O&D passenger market shares at San Antonio by the top six air carriers). Low-fare carriers in the San Antonio market include: Southwest, America West, and Midwest.

Low-fare carrier Southwest Airlines currently flies to 11 of San Antonio's 28 nonstop destinations. Southwest operates in 16 of San Antonio's top 20 domestic markets (Attachment C). Southwest Airlines accounts for the majority of passengers in four (Dallas/Fort Worth, TX, Houston, TX, Las Vegas, NV and Baltimore, MD) of San Antonio's top five markets. In the top five markets, Southwest carries 77 percent of the San Antonio-Dallas/Ft Worth traffic (includes Love Field), 71 percent of San Antonio-Houston traffic (includes Bush Intercontinental and Houston Hobby airports), 81 percent of the San Antonio-Las Vegas traffic, 15 percent of San Antonio's Chicago traffic (includes O'Hare and Midway airports) and 44 percent of Baltimore's passengers and traffic. Southwest carries 50 percent of San Antonio's passengers in its top 10 markets, 46 percent in the top 20 markets and 42 percent in the top 50 markets. America West provides nonstop service to Phoenix, AZ and has a 3 percent market share. Midwest serves Kansas City, MO (ranked 18$^{th}$ in San Antonio's O & D markets).

Since September 11, 2001, nonstop flights were initiated in the San Antonio market to: San Diego, CA; Raleigh-Durham, NC; Cleveland, OH; Detroit, MI; and Guadalajara, Mexico. On October 27, 2001, Southwest Airlines began daily nonstop flights to San Diego, CA and Raleigh-Durham, NC. Southwest Airlines terminated these nonstop flights April 2003. San Antonio recently lost its only nonstop flight to Salt Lake City, UT on Delta Airlines. As Attachment D - DOT's Top Seats Available Airports to/from San Antonio - indicates, the San Antonio market has experienced a decline (down 2.5 percent) in the total available seats between 2001 and 2003. Although, seat availability increased one percent in the 2002 – 2003 time period, total seats in the San Antonio market remain below the number that existed prior to 9/11. The reduction in nonstop flights and passenger enplanements over the past two years has resulted in less seat capacity in the San Antonio market.

According to DOT data for 12 months ended June 30, 2003, San Antonio ranked 42nd out of the top 100 US domestic O&D passenger markets and 42nd out of the top 100 domestic revenue markets. San Antonio's average domestic passenger fare of $147.57 is about one percent above the U.S. average ($146.05). In terms of passengers per capita, the San Antonio MSA currently ranks 71st, generating 1.64 passenger trips per person annually. This is down when compared to calendar year 2000 during which San Antonio ranked 54th, generating 1.93 passenger trips per person annually. Based on the domestic and international passenger counts reported to SAT by the air carriers, San Antonio was down 10 percent in 2003 compared to 2000.

Comparison data is provided in the following attachments (data source DOT for 12 Months ending June 2003):

| | |
|---|---|
| • Top 6 Carrier's Local Passengers in Top 50 O&D Domestic Markets | Attachment C |
| • Top 25 Domestic Seats Available to/from SAT by Carriers and Markets | Attachment D |
| • Top 15 Domestic O&D Carriers' Local Passengers with Percent of Total | Attachment E |
| • Average Fare Yields for Top 15 Domestic O&D Revenue Carriers at SAT | Attachment E |
| • Statistical Comparison of SAT's Top 100 Domestic Passenger Markets Ranked by Average Fares (Includes Average Itinerary Miles and Yields) | Attachment F |

## GATE AVAILIBILITY AND RELATED FACILITIES

### A. SAT Facilities

Currently, 25 percent of all gate and terminal operating space is unassigned and could readily accommodate a significant leasing demand from an incumbent and/or an entrant airline. During the past 12 to 36 months, the Aviation Department has received no requests for additional terminal space from the Airport's incumbent airlines. During this period, the Aviation Department participated in over 20 meetings with incumbent airlines and potential new entrants at airport/airline conferences and at carrier headquarters. Although there was some expressed interest in serving San Antonio by Great Plains Airlines (December 2003) and the Aviation Department made a proposal to the carrier for either a direct lease with the City or a sublease/handling agreement with an incumbent airline, no commitment to serve the market and no final request for use of SAT facilities were received from Great Plains Airlines (filed Chapter 11 bankruptcy January 2004.)

Following the negotiations process to put in place a new use and lease Agreement beginning October 1, 2001 and, as a result of the merger of TWA with American, the former TWA Gate 33 in Terminal 2 returned to the City and is now unassigned. Effective with the new lease Agreement, Midwest became a signatory airline and leased Gate 2 in Terminal 1. On October 30, 2003, one of the previously unassigned gates (Gate 1) in Terminal 1 was converted to a City-operated gate.

San Antonio International Airport has two side-by-side terminal buildings with abutting apron areas (Remain Over Night – RON) for aircraft parking. Exhibits 1 and 2 show placement of the terminals in relation to the RON and airfield. Terminal 1 was constructed in 1984, while Terminal 2 was originally built in the early 50's. Three of the original gates in Terminal 2 are operated by the City's Aviation Department for common use airline operations and are passenger accessible by ground loading/unloading. An eight (8)-gate (jet loading bridge accessible) satellite was added to Terminal 2 in 1968.

Terminal 1 (Exhibit 3) has sixteen (16) jet loading-bridge gates. Federal Inspection Station ("FIS") facilities are located in the lower level of Terminal 1. Gates 1, 2, 10 and 11 have jet-bridge access directly into the FIS area. Gates 12, 13, 14, 15 and 16 have ground-level access to the FIS area. In the case of Gates 12 through 16, passengers must walk from the gate-ramp area into the terminal building (lower level) and follow a corridor to enter the FIS area.

In Attachment G under Exhibits C, Summary of Terminal Areas, and G, Adjustment of Rates for Rentals, Fees, and Charges, all assigned, unassigned and joint use airline space is detailed as of the effective date (October 1, 2001) of the *Airline-Airport Use and Lease Agreement*. Attachment H updates Exhibit G to the current situation – March 2004. Terminal 1 has a total of 32,861 square feet of unassigned airline space readily available for lease to an airline. This unassigned space represents 27 percent of the total leaseable airline space in Terminal 1. Terminal 1 currently has seven airlines leasing space (85,775 square feet) under signatory agreements. Aeromar and airlines (ASA, Comair, Skywest, and Chautauqua) operating as connectors for the majors do not have employees assigned to SAT and are handled by the signatory air carriers. Since the effective date of the Agreement, Champion Air and Sun Country are operating occasional charters at SAT and are not leasing terminal facilities.

Terminal 2 has 19,868 square feet (28 percent of the total leaseable airline space) of unassigned airline space readily available for lease to an air carrier. All of the airlines listed in Attachment H are operating at SAT under a signatory agreement. America West Airlines a handling agreement and subleases space from Continental.

The Terminal 2 structure has out lived its usefulness and is slated for replacement. The demolition of Terminal 2 and addition of Concourse B onto Terminal 1 is scheduled for completion in late 2006 or early 2007. The project is currently under design. Also being planned in accordance with Airport Master Plan passenger growth projections is Concourse C. Concourse C is being designed for a phased-in implementation in accordance with airline demand for facilities and projected passenger growth. No decision or particulars concerning leasing versus common use facilities in these structures has been made at this time.

**B. Current SAT Gate Utilization/Availability**

Depending on flight schedules and operating requirements of the air carrier requesting accommodation (entrant) and the signatory airline (incumbent), all leased gate/hold room space is preferential and is available for sublease or a handling agreement with the incumbent airline. Additionally, unassigned airline premises can be leased directly from the City to an entrant or incumbent carrier under a signatory agreement or a non-signatory agreement.

All of the air carriers currently operating at SAT have common knowledge of unassigned airline operating space. The level of communication between the incumbent airlines' local managers and the City's Aviation Department is facilitated through regular correspondence and monthly meetings, as well as availability of on-site Airport Business Development and Properties Management staff to answer inquiries and disseminate information. Annual updates to Exhibit G (Attachment H - indicates unassigned terminal space) are sent to each signatory's properties division. Further, the same unassigned gates have existed in Terminal 1 for over the past five years and more than two years in Terminal 2.

Entrant airlines are advised of available airline operating space upon inquiry or as part of the City's efforts to meet face to face and attract new service through its Air Service Development Marketing Program. The City has under contract an outside air service development-consulting firm hired to facilitate meetings with airline corporate contacts and provide assistance with development of business case presentations to potential new entrant air carriers. Incumbent airlines are also contacted when certain new markets are targeted. The Aviation Director and Assistant to the Director are primary liaisons for initial contact with new entrant airlines and/or expansion planned by incumbents. They, along with the Business Development and Properties Management staff, are responsible for continued communications with the potential new entrant carrier regarding facility availability, as well as rates and charges.

Included in Attachment G under the *Airline-Airport Use and Lease Agreement* are definitions related to contractual provisions [e.g., "Signatory Airline" (1.41), "Requesting Airlines" (1.38), "Exclusively Leased Premises" (1.22) and "Preferential Use Premises" (1.35)].

San Antonio regularly has charters, especially during the summer months and for special sporting events. Typically, the charter operator (Guest Airline – Attachment G) contacts several signatory airlines and secures an operating agreement with a carrier that has an available time slot. Alternatively, the City gate is available on a per use charge for the unscheduled charter, with a requirement that the charter operator contract ground handling services at SAT.

**1. Terminal One Gate Utilization/Availability**

All gates and hold rooms are designated "preferential use". The signatory airlines in Terminal 1 include Southwest, Midwest, Aerolitoral, Mexicana, Northwest, Delta (shares gates with ASA, Comair and Skywest-Delta Connectors) and United. Aeromar, with two weekly departures, is operating at SAT under a handling agreement with Mexicana Airlines (Gate 11). Aeromar's flights are being handled by Mexicana personnel in Mexicana's leased areas and, as such, do not lease terminal space from the City. Aerolitoral Airlines is currently leasing ticket counter, ticket office and operations office under a signatory agreement. Aerolitoral is using Gate 2 under a sublease agreement with Midwest.

In Terminal 1 (Exhibit 3), all but 3 of the 16 gates are leased under the City's current signatory agreement. Gates 8 and 9 are not currently leased nor are they being used for the loading and unloading of passengers. City-operated Gate 1 and ticket counter are available on a first-come first-served basis. Terminal 1 has vacant ticket counter, ticket office, operations office and baggage make-up space available for lease.

International carriers Aerolitoral, Aeromar and Mexicana are currently utilizing Gates 2 and 11, two of the four gates that have direct loading-bridge access into the FIS area. Gate 1 also provides City-gate permittees access to the FIS area. Attachment J provides the details regarding rates, charges and use criterion for the City-operated Gate 1. The fourth FIS gate is leased to Northwest. Northwest handles its six daily domestic flights from Gate 10. The airline handles other carrier international arrivals as its schedule permits.

**2. Terminal Two Gate Utilization/Availability**

In Terminal 2 (Exhibit 4), seven of the eight loading-bridge gates are currently under signatory lease agreement to American and Continental, with America West sharing ticket counter and offices, hold room and gate space leased to Continental Airlines. Gates 39, 40 and 41 are available to all air carriers on a common-use basis for a flat monthly fee and are available to the airlines on a first-come, first-served basis. Terminal 2 has ample vacant ticket counter, office, operations and baggage make-up space readily available for lease.

During the City's lease negotiations in 2001, America West indicated that it was considering the possibility of becoming a signatory and lease directly from the City a single gate, hold room, ticket counter/office space, and aircraft parking apron. Gate 33 in Terminal 2 would become available as

of the effective date of the new Agreement, since American planned to lease only one of the two gates formerly leased to TWA. America West expressed an interest in leasing
Gate 33. However, with the uncertainty of the airline industry following the 9/11 events, America West opted to remain under a sublease agreement with Continental Airlines.

Prior to 9/11 and filing bankruptcy, US Airways had indicated a desire to serve San Antonio. Since emerging from bankruptcy, US Airways has indicated continued interest, but has not contacted the City requesting Airport space nor has it made any definite decisions concerning serving the San Antonio market.

As part of its air service development strategy, San Antonio continues to hold periodic discussions with America West and US Airways, as well as other airlines currently not serving San Antonio. Over 20 meetings with air carrier representatives took place in 2003 for the purpose of promoting expansion in the San Antonio market, none of which resulted in a decision to expand or serve San Antonio.

The below chart provides a summary of current gate allocation and utilization at SAT.

| **Gate Number** | **Airline** | **Gate Utilization (Avg. Flights*)** |
|---|---|---|
| **(Terminal 1)** | | |
| 1 | City-operated Gate | Occasional/On Demand |
| 2 | Aerolitoral | 13 weekly |
| 2 | Midwest | 2 daily |
| 3 | Southwest | 10 daily* |
| 4 | Southwest | 9 daily* |
| 5 | Southwest | 9 daily* |
| 6 | Southwest | 9 daily* |
| 7 | Southwest | 10 daily* |
| 8 | Unassigned | N/A |
| 9 | Unassigned | N/A |
| 10 | Northwest | 6 daily |
| 11 | Mexicana/Aeromar | 16 weekly |
| 12 | Delta/ASA/Comair/Skywest | 11 daily |
| 13 | Delta/ASA/Comair/Skywest | 9 daily |
| 14 | Delta/ASA/Comair/Skywest | 14 daily |
| 15 | United | 4 daily* |
| 16 | United Express/Skywest | 4 daily* |
| **(Terminal 2)** | | |
| 30 | Continental | 9 daily |
| 31 | Continental | 9 daily |
| 32 | Continental/America West | 6 daily |
| 33 | Unassigned | N/A |
| 34 | American | 6 daily |
| 35 | American | 8 daily |
| 36 | American/Chautauqua | 5 daily |
| 37 | American | 5 daily |

| | | |
|---|---|---|
| 39 | Common-use Gate | Occasional/On Demand |
| 40 | Common-use Gate | Occasional/On Demand |
| 41 | Common-use Gate | Occasional/On Demand |

## C. City Gate/Common Use Areas

In order that the City of San Antonio may rapidly respond to the needs of commercial air transportation companies to have temporary access to the San Antonio International Airport (SAT) terminal facilities to off load and board passengers, a City-operated gate was established. This gate is a common use facility located in Terminal 1, consisting of Gate 1 passenger waiting area, aircraft parking apron and a passenger loading bridge. Gate 1 is available on a per use charge basis with the opportunity to use Gate 1 based on a first-come first-served basis pending prior reservation through the Aviation Department's Airport Operations Office. Reservations are usually received by telephone for prior arrangements or radio communications VHF and City frequency. The Aviation Director is ultimately responsible for resolving conflicting gate requests and grant final gate assignments.

Ordinance 98374 (Attachment J), approved by City Council on October 30, 2003, established an initial rate of $200.00 per gate facility use. This fee is based upon a cost recovery for regular utilization of the passenger waiting area and aircraft parking apron, as well as capital cost and maintenance expenses associated with the loading bridge. Moreover, the ordinance adjusts the rate to $100.00 should the gate use be necessitated by aircraft emergency or diversion landing.

The ordinance also establishes a ticket counter use charge (includes two ticket counter positions, one bag well, baggage make-up area and baggage belt) of $250.00 per hour, with a minimum charge of $500.00 per use.

These fees are subject to adjustment annually each October 1 based upon the rates and charges paid by signatory airlines under the *Airline-Airport Use and Lease Agreement*, approved by City Council on September 27, 2001 via Ordinance 94625 (Attachment G). The City Council also approved the Policy and Procedures for the Use of City Gate setting forth the gate assignment procedures and the manner in which airlines and/or ground support providers may utilize the City gate facility. Attachment J provides copies of Ordinance 98374, permit agreement and Policy and Procedures for the Use of the City Gate.

Gates 39, 40 and 41 are city operated and available to all air carriers on a first-come, first-served basis for a flat monthly fee. The user fee is based on the current average Terminal 2 rental rate and is subject to adjustment annually each October 1.

## D. Remain Overnight Apron (RON)

Exhibits 1 and 2 indicate both current and future RON apron in the terminal areas. There are currently 16 RON positions available at SAT, all of which are unassigned and allocated on a first-come first-served basis. Additionally, leased preferential use gates are utilized for RON, firstly by the signatory and secondly by another incumbent airline or a guest airline. Unassigned gates may also be used as RON parking. Overflow areas utilized for temporary RON are located at the East Air Cargo Facility and taxiways adjacent to apron areas. Ordinance 92519, approved by City Council on September 14, 2000, established the current RON charges (Attachment I).

With the construction of Concourse B, the center apron RON area (between Terminal 1 and 2) will no longer be available. Future RON apron, south of Terminal 1, is currently in developmental phases.

### 1. Procedures for Assigning and Communicating Available RON Positions

Assignment of designated RON spaces and overflow RON parking is handled by the Aviation Department's Airport Operations section. Requests usually are received by radio communications (VHF and City frequency) or via the telephone. Assignment and allocation is on a first-come first-served basis.

### 2. Monitoring Procedures

Airport Operations personnel provide continuous TV monitoring of the RON aprons. They also patrol aircraft gate and RON apron areas on a regular basis. Airport Operations personnel remain present and/or continually in contact by radio to assist carriers during RON parking operations.

### 3. Dispute Process

Should a dispute arise, the Airport Operations Manager will refer the incident to the Assistant Director of Airport Operations and Maintenance, who has the option of locating the carrier in a traditional overflow parking position or referring the case to the Aviation Director. The Aviation Director has the ultimate decision regarding space allocation and/or accommodating the carrier in a non-traditional overflow area. No complaints or disputes occurred over the past 12-month period.

## PROVISIONS FOR LEASING AND SUBLEASING FACILITIES

Since airline competition usually results in lower costs and better services to the consumer, San Antonio International Airport has had a long-term strategy of facilitating growth in air service for the benefit of the community it serves. As part of this strategy, SAT strives to maintain low operating costs (rentals and fees) to the air carriers, which encourages growth in air service. In the current cost-conscious environment and through the continuous encouragement of the Aviation Department, the air carriers also strive to further reduce Airport operating costs by maximizing leased space and sharing assigned areas through sublease or handling agreements, whenever possible.

## A. Leasing Policy and Procedures

The San Antonio City Council approved the current *Airline – Airport Use and Lease Agreement* (Attachment G) on September 27, 2001. The Agreement is effective October 1, 2001 and runs to either the Date of Beneficial Occupancy of proposed new Concourse B or at midnight on September 30, 2006, unless sooner terminated. This Agreement sets forth the method of rental rate calculations, which form the basis by which all use and lease of Airport terminal and gate space at SAT is determined.

Air carriers have a multitude of use and lease options available at SAT. These include: a handling agreement with a signatory airline; a sublease with a signatory; a month-to-month or shorter-term non-signatory; or signatory agreement with the City. Handling agreements do not require the City's approval. Subleases and preferential use and operation permits are handled administratively within the Aviation Department. A direct lease (signatory and non-signatory) for Airport space requires City Council approval. To secure a signatory agreement, the carrier must have regular scheduled service and access to a gate through a sublease or handling agreement or as part of its signatory agreement.

The Aviation Department manages the facilities for the City of San Antonio. The Department is charged also with monitoring lease compliance. Disputes among signatory airlines regarding access by potential entrant or incumbent airlines seeking new or additional Airport facilities are resolved administratively through the Aviation Director. Regular monthly meetings are held with the airline managers to discuss/resolve problems/issues. Over the course of its history (over fifty years), the Department has demonstrated a willingness to enter into negotiations with either incumbent or new entrant carriers for use of SAT gates and facilities. Procedures for assigning Airport facilities are discussed further in this section.

Incumbent signatory and non-signatory air carriers have a general knowledge of available gates. The Aviation Department marketing staff promotes air service and discusses availability of terminal facilities with potential new entrants. As a result of having had the advantage of excess gate capacity since the completion of Terminal 1 in 1984 and the existence of successful subleasing/handling arrangements by incumbent carriers, SAT has not had to deny use of Airport facilities to any incumbent or entrant airlines.

## B. Methods for Calculating Rental Rates/Fees for Use of Leased/Common Use Space

The airline Agreement uses a hybrid approach to calculating the rates and charges. Airline landing fees and terminal rates and charges are developed on a compensatory basis; however, a terminal rental credit is provided to signatory airlines through the sharing of a portion of surplus revenues. SAT generally produces an annual operating surplus, which is transferred to its Capital

Improvement and Contingency Fund. These funds are used for smaller pay-as-you-go capital projects and for the required match share to the many Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funded projects.

San Antonio's objective is to maintain low costs to the airlines in order to encourage growth in air service to the community. SAT's cost per enplanement is a low $4.76 (2003).

To encourage use of SAT facilities by small, non-signatory airlines, whose enplaned passengers equal less than one percent (1%) of the total enplaned passengers for a current month, the City's new airline Agreement, Article VI (Attachment G) provides for reduced Joint Use Premises fees.

Rental calculations for exclusive, preferential and joint use space, as well as landing fees, are discussed in Exhibit G of the *Airline-Airport Use and Lease Agreement* (Attachment G). Airline rates for terminal rentals, landing fees, FIS charges and apron fees are adjusted annually. Exhibits G-1 through G-5 set forth the method utilized in calculating the required airline terminal rental rates for Terminals 1 and 2, the FIS rate and landing fees. The terminal rates are used for both City operated common-use and leased gates. In the case of exclusive space (e.g., office and operations space), the rate is a straight lease. In the case of joint use space (e.g. concourse and baggage claim), the costs are shared among the airlines. The monthly joint use charge to each airline is based on the amount of monthly activity (e.g. enplanements, number of carriers, etc.)

The above referenced rental rates are also the same rates applied to lease and use of Airport premises under non-signatory agreements. The advantage of the signatory agreement over the non-signatory agreement is that the signatory airline is eligible to receive a rental refund (Section 7.3 – Airline Refunds – of the *Airline-Airport Use and Lease Agreement* and Exhibit G-4).

A monthly rental charged for the Terminal 2 common use facilities (Gates 39, 40 and 41 with abutting hold rooms) are calculated using the Average Terminal Rental Rate paid by signatory airlines (Exhibit G in Attachment G) divided by 12. Landing fees are charged uniformly for all commercial landings with no exception. Gate apron parking area at common use facilities in Terminal 2 are charged based on current RON fees established by Ordinance 92519, approved by City Council on September 14, 2000 (Attachment I).

Ordinance 98374, approved by City Council on October 30, 2003 (Attachment J) authorized the City Gate Use Permit Agreement, rate and charges and Policy and Procedures for Use of the City Gate in Terminal 1. The rates and charges are subject to adjustment annually each October 1 based upon the rates and charges paid by signatory airlines under the *Airline – Airport Use and Lease Agreement*.

## C. Assignment, Subleasing and Use Fee Provisions and Policies

The Business Development and Property Management division of the Aviation Department oversees leasing and subleasing activities at SAT, as well as provides assistance to new entrant and incumbent airlines wishing to either sublease airline premises or operate on a month-to-month agreement. Prior written consent by the Aviation Director is required for all subleasing arrangements.

Consent to sublease airline premises to a new entrant or incumbent airline has never been withheld. The Business Development and Property Management division provides assistance should carrier schedule adjustments require changes to the subleasing arrangements.

Article XIV – Assignment, Subletting and Use Fees – of the *Airline – Airport Use and Lease Agreement* (Attachment G) addresses the contractual provisions governing lease assignment, subleasing and fees. Subleasing fees that exceed fifteen (15) percent of the standard Airport-determined fee shall be considered excess rentals. Excess rentals shall be paid to the City as Gross Revenues. Airlines are permitted to charge a reasonable fee to others for the use of airline's capital equipment and to charge for use of utilities and other services being paid for by the signatory airline.

The Aviation Department has no history of receiving complaints from subtenants about excessive sublease fees or unneeded bundling of services. If such were to occur, contractual provisions provide a remedy, which would be enforced through the authority granted to the Aviation Department's Aviation Director under the terms and conditions of the Agreement.

## GATE ASSIGNMENT POLICY/PROCEDURES

### A. Process for Accommodating New Entrant or Expanding Incumbent Airline at SAT)

Should a new entrant or incumbent airline come to the City and request access to the Airport terminal and gate space (either signatory or a non signatory), the request will be directed to the Airport Properties and Business Development Division of the Aviation Department. Discussions for either assisting with a sublease or handling agreement or leasing appropriate unassigned space will involve meetings with Aviation Department staff to include the Assistant Director of Finance and Administration, who has oversight of the Properties and Business Development Division, and the Assistant Director of Operations and Maintenance. The Manager of Planning & Engineering may possibly be involved should there be space reconfiguration requirements, as well as the Assistant to the Director, who will assist in coordinating marketing incentives in the case of a new entrant or an incumbent expanding and adding new routes.

With the current excess availability of unassigned terminal and gate space, a subleasing or handling arrangement with an incumbent carrier is not necessary to gain access to SAT. Should a carrier, anticipating the start of scheduled service at SAT, declare its preference to sublease space from a signatory rather than lease unassigned Airport space directly from the City, the Aviation Department will facilitate the process. In the event an agreement cannot be reached within 60 days with any of SAT's signatory airlines and there exists sub-utilized gate space (determined by Aviation Department when an open slot where the signatory's flight schedule permits the handling of additional flights), a dispute resolution process would be initiated (discussed below). If required in order to accommodate the new entrant or expanding incumbent, the allocation or reallocation of space shall be in accordance with the City's *Airline – Airport Use and Lease Agreement*, Article XV (Attachment G).

Should an air carrier, planning the start of regular scheduled service, indicate a desire to lease Airport terminal and gate space directly from the City and should there be insufficient or no unassigned terminal and gate space available, the allocation or reallocation of space shall be in accordance with the City's *Airline – Airport Use and Lease Agreement*, Article XV.

Typically, before a leasing or subleasing arrangement is executed, there are several site visits from the entrant or incumbent carrier's properties division and subsequent discussions concerning operational requirements and lease premises adjustments, as well as negotiations concerning lease terms and conditions. The Assistant Director of Finance and Administration would act as the Aviation Department's liaison in trying to accommodate the new entrant or incumbent airline's desired requirements. The length of time is usually determined by the carrier's announced implementation timetable. However, the Aviation Department is flexible and can lease unassigned terminal and gate space immediately upon request through a 30-day agreement while preparing the City's *Airline – Airport Use and Lease Agreement* or a non-signatory agreement for City Council consideration. In all instances, the rates and charges would be those paid by signatory airlines operating at SAT.

## B. Gate Availability/Assignment Policy

The City's Aviation Department works closely with new entrants and existing incumbent airlines to provide access to SAT facilities for planned operations. The City's *Airline – Airport Use and Lease* Agreement, Article XV (Attachment G), clearly states that the City's objective is to offer to all airlines desiring to serve SAT access to the Airport's facilities and to provide adequate gate positions and space in the terminals. It is the City's intent to pursue an optimum balance in the overall utilization of available terminal/apron facilities to the extent, if necessary, that sharing forced through "preferential use of premises" and reassignment of gate positions and other terminal facilities, as may be required.

Recognizing that physical and financial limitations may preclude timely expansion of terminal and aircraft parking apron area in the future, Article XV sets forth gate monitoring and reassignment based on certain findings and criteria. Article 1.38, defines a new entrant airline as the "Requesting Airline". Pursuant to Article 15.3, the City has the ability to reallocate an airline's premises among the signatory airlines because of one or more of the following conditions:

a) The need to provide premises to a signatory airline, which is without adequate premises leased directly from the City due to the unavailability of such space;

b) The impracticality of the City constructing additional premises within a reasonable period of time; and

c) The need for the City to manage aircraft and passenger activity at SAT in order to correct an imbalance use of Airport facilities, including gate positions, or to minimize or ameliorate congestion in the terminals or at the curbside.

### C. Unresolved/Dispute Resolution Process

Unresolved requests for SAT terminal and gate space and complaints will be referred to the Aviation Director. The Aviation Director is ultimately responsible for resolving disputes and complaints regarding the allocation of airline space at SAT.

Complaint resolution will involve a series of meetings and/or telephone conversations with the Aviation Director, and the reallocation of space shall be in accordance with the City's *Airline – Airport Use and Lease Agreement*, Articles XIV and XV (Attachment G). Article 15.3B of the *Airline – Airport Use and Lease Agreement* provides for 60 days written notice to the signatory airline of the proposed space reallocation. The airline shall, during the 60-day period, be entitled to respond to the proposed reallocations in writing. The Aviation Director will review the response from the signatory airline and facilitate further discussions, as may be necessary to reach an acceptable resolution for all concerned air carriers. Should an amicable resolution not be reached, the Aviation Director's decision regarding reallocation of leased premises will be final and enacted pursuant to Article XV of the *Airline – Airport Use and Lease Agreement*. The process for resolving a complaint dispute shall not exceed 120 days and will be followed by a formal amendment to the signatory agreement(s).

During the 12 months ending March 2004, no disputes concerning lease or subleasing of terminal and gate space or RON availability have been filed and processed by the City of San Antonio. Further, the City has received no complaints/disputes regarding access to the City gate.

### D. Ground Handling, Maintenance, Fueling and Catering Support Services

Most of the signatory airlines provide their own ground handling and maintenance support services. There are two independent ground-handling companies (Avex and Evergreen) located on Airport premises. Allied Aviation Fueling of Texas is a single source independent fueler (depository company) providing fueling services to commercial carriers. In some cases, Fixed Base Operators located on Airport premises have provided fueling services to the carriers. Gate Gourmet, which is also located on Airport premises, is available to provide catering services to the airlines.

## GATE MONITORING

To date, the City has not found it necessary to institute a formal Gate-Monitoring Program due to the amount of available unleased terminal gates. However, should the number of unassigned gates at SAT, to include City-operated common use and vacant (not assigned to a specific air carrier) gates, fall below 15 percent of the total, a formal monitoring program will be instituted. At the time that monitoring is implemented, the Aviation Department will consider several factors to include average daily gate utilization at SAT, which will be used as a benchmark threshold for determining if it is necessary to comply with Article XV – Reassignment of Premises (Attachment G) in order to accommodate a carrier's request for a gate and available times to determine gaps of in utilization that could afford "preferential gate" sharing.

As of January 2004, SAT completed installation of a Multi-User Flight Information Display System (MUFIDS) equipment. This system has the capability of generating reports that will provide the Aviation Department with the number of flights per gate on a daily, weekly and monthly basis, as well as any under utilized time periods. However, as of March 2004, the reporting portion of the MUFIDS has not been fully implemented. MUFIDS-generated reporting is expected to be available by summer 2004. A sample report format is provided in Attachment K.

At such time that unassigned gates fall below the 15 percent threshold, the MUFIDS reports will be utilized in the formal Gate-Monitoring Program. Should the Aviation Department have a need to initiate a formal Gate-Monitoring Program prior to the MUFIDS coming fully on line, the following procedures will be used:

a) A formal written survey form will be sent to each signatory air carrier on a quarterly basis.

b) This survey will be verified against the Monthly Statistical Data Reports and Monthly Landed Weight/Fee Reports, already being submitted to the Aviation Department, for comparison and to take note of any discrepancies, which may call for follow up with the air carrier.

c) A benchmark will be established for determining a gate-use threshold at which time it may be necessary to comply with contractual Article XV should the need occur.

SAT's Multi User Flight Display System (MUFIDS), installed January 2004, will provide the primary monitoring tool for use in reallocation of any leased premises. Review of collected MUFIDS data shall also take into account some of the following factors:

a) Each signatory airline's number of enplaning and deplaning passengers;

b) Each signatory airline's historical, current and reasonably projected frequency of operations;

c) Each signatory airline's number of gate positions and under utilized time slots; and

d) Each signatory airline's linear feet of ticket counter space, square feet of hold room space and square feet of other premises.

## CAPITAL CONSTRUCTION PROJECTS AND FUNDING

Over the course of its history, the major revenue source for SAT terminal projects has been General Airport Revenue Bonds. Additionally, terminal improvement projects have been funded through the use of Airport-generated revenues.

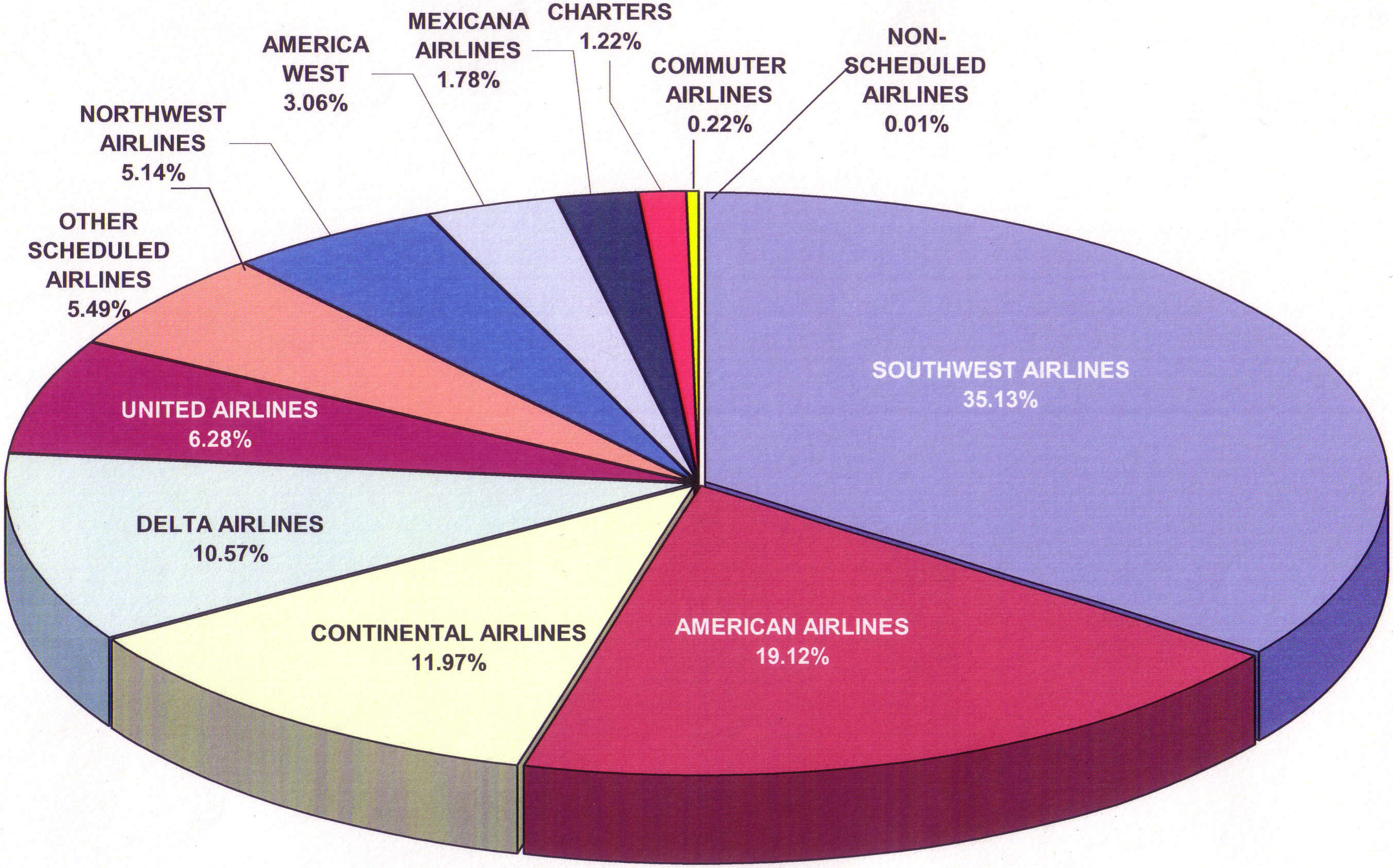
Effective November 1, 2001, the City of San Antonio initiated for the first time a Passenger Facility Charge (PFC). PFC funds were used for the recently completed terminal upgrades, which included the expansion of hold room space at Gates 8 and 9.

The City is currently in the preliminary planning stages for the eventual construction of a new seven (7)-gate Concourse B, demolition of Terminal 2 [eight (8) jet-bridge gates and three (3) ground level common use gates]. Concourse B is scheduled for completion in late 2006 or early 2007 (Exhibit 5). Concourse C, which is initially planned for construction as an eight-gate facility expandable up to 11 gates, is currently under design along with Concourse B. However, it will be constructed in phases as passenger growth and airline demand for gates occur. The eight-gate Concourse C is currently projected for possible completion in 2009. Upon completion in 2009, total SAT loading bridge gate capacity would increase from 24 to 31. Funding for these new facilities will come from monies generated by bonds, PFCs and Airport capital funds. This same source of funding, along with FAA AIP funds, will be used to construct new aircraft apron in connection with the terminal expansion, as well as future runway extension and reconstruction project set forth in the Airport Master Plan.

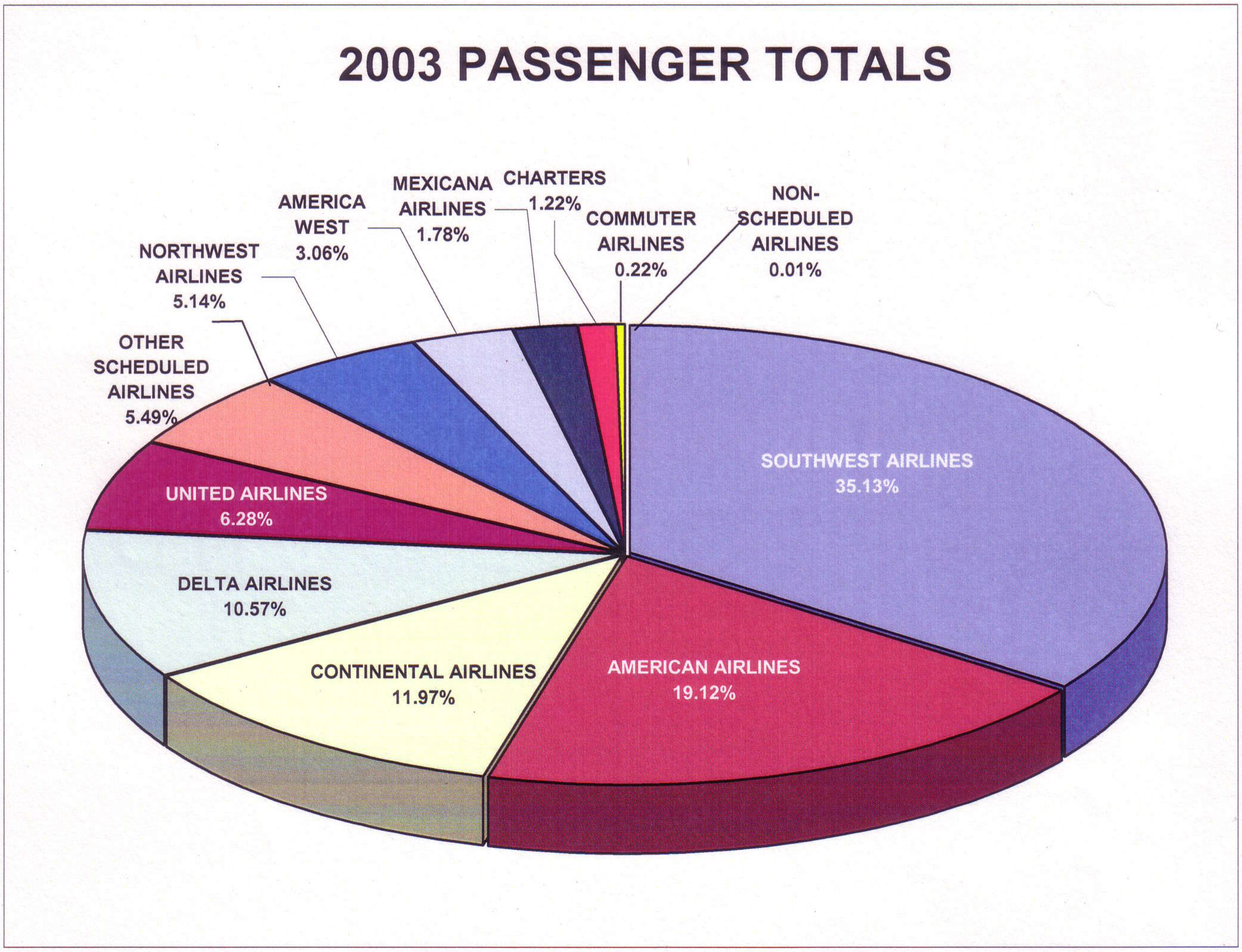
SAT's airline Agreement does not include a majority-in-interest (MII) clause. Under the airline Agreement, the City must notify the airlines of upcoming capital projects. However, while the airlines may cause a deferral of capital projects for 180 days, approval of capital projects by the airlines is not required.

# ATTACHMENT A

# 2003 PASSENGER TOTALS



| RANK | NAME | 2003 TOTAL PASSENGERS | LOCAL MARKET SHARE 2002 | 2002 TOTAL PASSENGERS | LOCAL MARKET SHARE 2001 |
|---|---|---|---|---|---|
| 1 | SOUTHWEST AIRLINES | 2,295,866 | 35.13% | 2,373,906 | 35.13% |
| 2 | AMERICAN AIRLINES | 1,249,828 | 19.12% | 1,302,977 | 19.28% |
| 3 | CONTINENTAL AIRLINES | 782,327 | 11.97% | 756,972 | 11.20% |
| 4 | DELTA AIRLINES | 691,068 | 10.57% | 925,995 | 13.70% |
| 5 | UNITED AIRLINES | 410,438 | 6.28% | 361,794 | 5.35% |
| 6 | OTHER SCHEDULED AIRLINES | 358,923 | 5.49% | 358,923 | 5.31% |
| 7 | NORTHWEST AIRLINES | 335,713 | 5.14% | 256,840 | 3.80% |
| 8 | AMERICA WEST | 200,259 | 3.06% | 204,271 | 3.02% |
| 9 | MEXICANA AIRLINES | 116,645 | 1.78% | 122,608 | 1.81% |
| 10 | CHARTERS | 79,463 | 1.22% | 79,463 | 1.18% |
| 11 | COMMUTER AIRLINES | 14,436 | 0.22% | 14,436 | 0.21% |
| 12 | NON SCHEDULED AIRLINES | 862 | 0.01% | 7 | 0.00% |
| | | | | | |
| | **TOTALS** | 6,535,954 | 100.00% | 6,758,192 | 100.00% |



# ATTACHMENT B

# Carrier Shares at San Antonio's Top 50 Origin & Destination Passenger Markets

## Ranked by Twelve Months Ended June 2003

Approximates 100% Sample - Directional Journeyed Revenues

| Rank | Market | Southwest | American | Delta | Continental | United | Northwest | Total |
|---|---|---|---|---|---|---|---|---|
| 1 | Dallas/Ft Worth, TX | 472,450 | 103,980 | 28,630 | 2,910 | 20 | 0 | 611,890 |
| 2 | Houston, TX | 164,400 | 10 | 0 | 66,450 | 10 | 50 | 230,920 |
| 3 | Las Vegas, NV | 170,880 | 8,780 | 8,530 | 7,670 | 2,580 | 680 | 211,280 |
| 4 | Chicago, IL | 29,900 | 101,620 | 5,310 | 7,930 | 54,850 | 3,440 | 203,410 |
| 5 | Baltimore, MD | 75,020 | 29,530 | 24,510 | 28,410 | 5,670 | 7,970 | 171,240 |
| 6 | New York, NY | 0 | 54,550 | 26,070 | 70,670 | 9,960 | 7,630 | 170,110 |
| 7 | Los Angeles, CA | 74,910 | 18,540 | 11,490 | 18,960 | 8,770 | 1,640 | 144,870 |
| 8 | Phoenix, AZ | 78,310 | 7,870 | 4,430 | 5,840 | 2,370 | 360 | 142,780 |
| 9 | Atlanta, GA | 0 | 11,720 | 114,000 | 13,940 | 1,400 | 1,590 | 142,690 |
| 10 | Washington, DC | 0 | 31,370 | 60,400 | 19,700 | 8,950 | 6,030 | 127,250 |
| 11 | El Paso, TX | 106,190 | 2,560 | 580 | 1,740 | 0 | 0 | 111,110 |
| 12 | Orlando, FL | 57,210 | 14,470 | 19,230 | 15,250 | 110 | 3,260 | 109,540 |
| 13 | Denver, CO | 0 | 12,540 | 4,570 | 15,850 | 60,620 | 1,700 | 97,350 |
| 14 | St Louis, MO | 18,190 | 74,140 | 330 | 1,660 | 900 | 910 | 96,220 |
| 15 | San Diego, CA | 50,560 | 12,610 | 7,720 | 8,730 | 4,280 | 240 | 90,730 |
| 16 | Seattle/Tacoma, WA | 11,430 | 23,760 | 20,090 | 12,060 | 9,180 | 2,940 | 88,130 |
| 17 | New Orleans, LA | 55,980 | 3,230 | 4,130 | 15,170 | 0 | 1,920 | 80,430 |
| 18 | Detroit, MI | 4,740 | 14,520 | 4,250 | 6,750 | 3,230 | 41,250 | 74,770 |
| 19 | Kansas City, MO | 10,260 | 15,220 | 4,280 | 5,900 | 130 | 2,400 | 72,470 |
| 20 | Nashville, TN | 50,590 | 7,820 | 6,570 | 4,660 | 140 | 2,180 | 72,130 |
| 21 | Minneapolis, MN | 0 | 8,470 | 2,320 | 5,570 | 5,700 | 48,110 | 70,520 |
| 22 | Philadelphia, PA | 0 | 28,240 | 12,640 | 14,790 | 4,970 | 3,540 | 65,180 |
| 23 | Tampa, FL | 32,930 | 7,950 | 11,680 | 10,020 | 0 | 1,510 | 64,100 |
| 24 | Harlingen, TX | 63,150 | 0 | 0 | 470 | 0 | 0 | 63,620 |
| 25 | Albuquerque, NM | 48,510 | 5,440 | 1,860 | 4,690 | 670 | 0 | 62,140 |
| 26 | Salt Lake City, UT | 10,720 | 2,750 | 39,660 | 1,560 | 2,490 | 230 | 61,480 |
| 27 | Raleigh/Durham, NC | 24,060 | 14,010 | 11,610 | 5,480 | 550 | 4,740 | 60,530 |
| 28 | Oakland, CA | 31,860 | 7,980 | 3,370 | 4,500 | 5,220 | 30 | 60,390 |
| 29 | Sacramento, CA | 20,170 | 8,130 | 4,920 | 3,490 | 6,390 | 560 | 54,320 |
| 30 | Oklahoma City, OK | 38,380 | 5,720 | 3,020 | 4,530 | 0 | 550 | 52,200 |
| 31 | Fort Lauderdale, FL | 17,030 | 8,740 | 11,330 | 13,910 | 10 | 640 | 51,680 |
| 32 | Boston, MA | 0 | 23,830 | 11,770 | 8,640 | 2,960 | 1,550 | 49,140 |
| 33 | Ontario, CA | 19,820 | 6,080 | 5,110 | 3,070 | 3,540 | 140 | 46,880 |
| 34 | Indianapolis, IN | 4,290 | 18,280 | 7,690 | 8,490 | 2,620 | 5,010 | 46,540 |
| 35 | San Jose, CA | 14,230 | 13,430 | 3,120 | 4,030 | 5,560 | 460 | 44,350 |
| 36 | Portland, OR | 8,390 | 9,620 | 10,110 | 3,270 | 5,870 | 880 | 43,730 |
| 37 | Santa Ana, CA | 6,750 | 13,220 | 4,600 | 8,070 | 3,080 | 330 | 42,200 |
| 38 | Columbus, OH | 2,790 | 14,180 | 11,270 | 5,540 | 2,170 | 5,560 | 41,530 |
| 39 | Tulsa, OK | 30,470 | 4,860 | 1,320 | 3,970 | 0 | 730 | 41,350 |
| 40 | Cleveland, OH | 7,560 | 10,360 | 3,860 | 16,280 | 2,020 | 1,210 | 41,310 |
| 41 | Norfolk, VA | 6,800 | 8,780 | 21,790 | 2,160 | 680 | 1,000 | 41,280 |
| 42 | Hartford, CT | 3,690 | 17,340 | 13,170 | 1,220 | 4,020 | 1,350 | 40,870 |
| 43 | Little Rock, AR | 29,730 | 3,210 | 3,350 | 2,050 | 0 | 1,050 | 39,390 |
| 44 | San Francisco, CA | 0 | 10,170 | 6,170 | 7,630 | 6,330 | 1,570 | 37,210 |
| 45 | Providence, RI | 12,050 | 3,880 | 12,730 | 1,860 | 3,670 | 2,300 | 36,600 |
| 46 | Milwaukee, WI | 0 | 5,260 | 2,680 | 2,130 | 1,840 | 3,680 | 31,930 |
| 47 | Reno, NV | 13,000 | 3,930 | 3,130 | 1,440 | 2,220 | 290 | 29,970 |
| 48 | Jacksonville, FL | 4,470 | 5,760 | 13,060 | 4,860 | 30 | 810 | 29,040 |
| 49 | Cincinnati, OH | 0 | 2,180 | 24,250 | 1,170 | 670 | 510 | 28,900 |
| 50 | Honolulu, HI | 0 | 8,310 | 6,220 | 9,340 | 2,770 | 1,780 | 28,880 |
| | *Total of Above* | *1,881,870* | *828,950* | *622,930* | *494,480* | *249,220* | *176,310* | *4,456,580* |
| | **Total Domestic Passengers** | **2,005,860** | **1,082,560** | **943,400** | **623,420** | **341,840** | **290,660** | **5,546,430** |

source: *U.S. DOT*

# ATTACHMENT D

# Top Seats Available Airports to/from San Antonio

## Ranked by Twelve Months Ended June 2003

100% Sample -- Outbound + Inbound -- Includes T-100 Carriers Only

| Rank | Airport | YE Jun 01 | YE Jun 02 | YE Jun 03 | SDEW YE Jun 03 | Percent of YE Jun 03 | Avg. Ann. Change 01-03 | Avg. Ann. Change 02-03 |
|---|---|---|---|---|---|---|---|---|
| 1 | Dallas/Ft Worth, TX | 1,616,283 | 1,435,732 | 1,368,172 | 1,874 | 14.0% | -8.0% | -4.7% |
| 2 | Dallas Love Field, TX | 1,257,236 | 1,214,351 | 1,179,843 | 1,616 | 12.0% | -3.1% | -2.8% |
| 3 | Houston Hobby, TX | 1,080,052 | 1,047,645 | 1,035,098 | 1,418 | 10.6% | -2.1% | -1.2% |
| 4 | Houston Intercontinental, TX | 1,054,500 | 1,002,604 | 980,738 | 1,343 | 10.0% | -3.6% | -2.2% |
| 5 | Atlanta, GA | 732,644 | 639,834 | 692,367 | 948 | 7.1% | -2.8% | 8.2% |
| 6 | Phoenix, AZ | 599,429 | 601,703 | 593,337 | 813 | 6.1% | -0.5% | -1.4% |
| 7 | Chicago O'Hare, IL | 490,768 | 474,541 | 549,407 | 753 | 5.6% | 5.8% | 15.8% |
| 8 | St. Louis, MO | 489,113 | 457,886 | 405,823 | 556 | 4.1% | -8.9% | -11.4% |
| 9 | Las Vegas, NV | 386,231 | 382,470 | 397,069 | 544 | 4.1% | 1.4% | 3.8% |
| 10 | El Paso, TX | 350,600 | 351,605 | 352,927 | 483 | 3.6% | 0.3% | 0.4% |
| 11 | Denver, CO | 229,998 | 210,004 | 267,754 | 367 | 2.7% | 7.9% | 27.5% |
| 12 | Cincinnati, OH | 196,643 | 201,813 | 235,776 | 323 | 2.4% | 9.5% | 16.8% |
| 13 | Salt Lake City, UT | 203,823 | 203,246 | 199,882 | 274 | 2.0% | -1.0% | -1.7% |
| 14 | Harlingen, TX | 185,865 | 184,416 | 181,955 | 249 | 1.9% | -1.1% | -1.3% |
| 15 | Minneapolis, MN | 207,292 | 181,253 | 181,712 | 249 | 1.9% | -6.4% | 0.3% |
| 16 | Memphis, TN | 235,940 | 181,043 | 164,086 | 225 | 1.7% | -16.6% | -9.4% |
| 17 | Baltimore, MD | 99,736 | 99,807 | 122,308 | 168 | 1.2% | 10.7% | 22.5% |
| 18 | Kansas City, MO | 95,353 | 105,144 | 111,008 | 152 | 1.1% | 7.9% | 5.6% |
| 19 | Los Angeles, CA | 189,341 | 142,682 | 101,509 | 139 | 1.0% | -26.8% | -28.9% |
| 20 | Tampa, FL | 101,063 | 104,228 | 100,507 | 138 | 1.0% | -0.3% | -3.6% |
| 21 | Orlando, FL | 100,339 | 100,047 | 100,126 | 137 | 1.0% | -0.1% | 0.1% |
| 22 | Nashville, TN | 100,401 | 98,541 | 100,072 | 137 | 1.0% | -0.2% | 1.6% |
| 23 | Detroit, MI | 141 | 265 | 97,292 | 133 | 1.0% | 2526.8% | 1000.0% |
| 24 | San Diego, CA | 982 | 65,525 | 76,617 | 105 | 0.8% | 783.3% | 16.9% |
| 25 | New York Newark, NJ | 81,894 | 74,015 | 76,144 | 104 | 0.8% | -3.6% | 2.9% |
| | *Total of Above* | *10,085,667* | *9,560,400* | *9,671,529* | *13,249* | *98.8%* | *-2.1%* | *1.2%* |
| | **Total Seats Available** | **10,302,955** | **9,694,866** | **9,793,439** | **13,416** | **100.0%** | **-2.5%** | **1.0%** |

# Seats Available on Carriers to/from San Antonio

## Ranked by Twelve Months Ended June 2003

100% Sample -- Outbound + Inbound -- Includes T-100 Carriers Only

| Rank | Carrier | YE Jun 01 | YE Jun 02 | YE Jun 03 | SDEW YE Jun 03 | Percent of YE Jun 03 | Avg. Ann. Change 01-03 | Avg. Ann. Change 02-03 |
|---|---|---|---|---|---|---|---|---|
| 1 | Southwest | 4,111,224 | 4,157,220 | 4,160,866 | 5,700 | 42.5% | 0.6% | 0.1% |
| 2 | American | 1,388,682 | 1,498,693 | 1,658,842 | 2,272 | 16.9% | 9.3% | 10.7% |
| 3 | Delta | 1,791,470 | 1,405,949 | 1,298,081 | 1,778 | 13.3% | -14.9% | -7.7% |
| 4 | Continental | 1,231,254 | 1,123,080 | 1,064,792 | 1,459 | 10.9% | -7.0% | -5.2% |
| 5 | United | 406,383 | 390,682 | 526,184 | 721 | 5.4% | 13.8% | 34.7% |
| 6 | Northwest | 383,535 | 353,244 | 443,558 | 608 | 4.5% | 7.5% | 25.6% |
| 7 | America West | 253,277 | 256,972 | 250,035 | 343 | 2.6% | -0.6% | -2.7% |
| 8 | Atlantic Southeast | 34,830 | 138,270 | 195,030 | 267 | 2.0% | 136.6% | 41.1% |
| 9 | Midwest | 94,212 | 105,020 | 111,008 | 152 | 1.1% | 8.5% | 5.7% |
| 10 | Comair | 0 | 15,300 | 59,850 | 82 | 0.6% | 100.0% | 291.2% |
| 11 | Continental Express | 1,074 | 750 | 8,500 | 12 | 0.1% | 181.3% | 1033.3% |
| 12 | Sun Country | 65,368 | 16,416 | 7,362 | 10 | 0.1% | -66.4% | -55.2% |
| 13 | Freedom | 0 | 0 | 6,592 | 9 | 0.1% | 100.0% | 100.0% |
| 14 | Casino Express | 4,796 | 2,936 | 2,196 | 3 | 0.0% | -32.3% | -25.2% |
| 15 | American Eagle | 298 | 498 | 200 | 0 | 0.0% | -18.1% | -59.8% |
| | *Total of Above* | *9,766,403* | *9,465,030* | *9,793,096* | *13,415* | *100.0%* | *0.1%* | *3.5%* |
| | **Total Seats Available** | **10,302,955** | **9,694,866** | **9,793,439** | **13,416** | **100.0%** | **-2.5%** | **1.0%** |

source: U.S. DOT

# ATTACHMENT E

## Summary of Top 15 Origin & Destination Passenger Carriers at San Antonio

### Twelve Months Ended June 2003

Approximates 100% Sample - Directional Journeyed Domestic Passengers

| Rank | Market | Total O&D Paxs | PDEW | Passenger Share | Zero Fare O&D Paxs | Total Mls (000's) | Average Coupons |
|---|---|---|---|---|---|---|---|
| 1 | Southwest | 2,005,860 | 2,748 | 36.2% | 201,640 | 145,293 | 1.28 |
| 2 | American | 1,082,560 | 1,483 | 19.5% | 66,740 | 130,094 | 1.74 |
| 3 | Delta | 943,400 | 1,292 | 17.0% | 60,670 | 121,621 | 1.82 |
| 4 | Continental | 623,420 | 854 | 11.2% | 28,250 | 74,886 | 1.85 |
| 5 | United | 341,840 | 468 | 6.2% | 27,850 | 47,082 | 1.68 |
| 6 | Northwest | 290,660 | 398 | 5.2% | 20,480 | 38,496 | 1.74 |
| 7 | America West | 178,930 | 245 | 3.2% | 3,850 | 22,644 | 1.76 |
| 8 | Midwest Express | 55,430 | 76 | 1.0% | 2,850 | 4,826 | 1.14 |
| 9 | Commuters | 6,990 | 10 | 0.1% | 0 | 383 | 1.00 |
| 10 | US Airways | 4,750 | 7 | 0.1% | 110 | 757 | 2.45 |
| 11 | Trans States | 3,040 | 4 | 0.1% | 260 | 327 | 2.03 |
| 12 | Casino Express | 2,800 | 4 | 0.1% | 0 | 349 | 1.00 |
| 13 | Alaska | 2,290 | 3 | 0.0% | 630 | 658 | 3.00 |
| 14 | Sun Country | 2,070 | 3 | 0.0% | 0 | 207 | 1.00 |
| 15 | American Trans Air | 860 | 1 | 0.0% | 10 | 145 | 2.91 |
| *Total of Above* | | *5,544,900* | *7,596* | *100.0%* | *413,340* | *588,165* | *1.59* |
| **Total Passengers** | | **5,546,430** | **7,598** | **100.0%** | **413,520** | **588,165** | **1.59** |

## Summary of Top 15 O&D Revenue Carriers at San Antonio

### Twelve Months Ended June 2003

Approximates 100% Sample - Directional Journeyed Domestic Revenue

| Rank | Market | Total O&D Revs | RDEW | Revenue Share | Fared Avg Fare | Itinerary Miles | Fared Avg Yield |
|---|---|---|---|---|---|---|---|
| 1 | Southwest | $195,112,980 | $267,278 | 25.8% | $108.14 | 724 | 13.43¢ |
| 2 | American | $161,255,060 | $220,897 | 21.4% | $158.74 | 1,202 | 12.40¢ |
| 3 | Delta | $158,106,920 | $216,585 | 20.9% | $179.11 | 1,289 | 13.00¢ |
| 4 | Continental | $99,493,700 | $136,293 | 13.2% | $167.17 | 1,201 | 13.29¢ |
| 5 | United | $55,107,420 | $75,490 | 7.3% | $175.51 | 1,378 | 11.70¢ |
| 6 | Northwest | $46,389,200 | $63,547 | 6.1% | $171.70 | 1,325 | 12.05¢ |
| 7 | America West | $27,151,410 | $37,194 | 3.6% | $155.08 | 1,266 | 11.99¢ |
| 8 | Midwest Express | $8,423,970 | $11,540 | 1.1% | $160.21 | 871 | 17.45¢ |
| 9 | Commuters | $939,410 | $1,287 | 0.1% | $134.39 | 548 | 24.54¢ |
| 10 | US Airways | $1,085,630 | $1,487 | 0.1% | $233.97 | 1,593 | 14.35¢ |
| 11 | Trans States | $462,790 | $634 | 0.1% | $166.47 | 1,077 | 14.14¢ |
| 12 | Casino Express | $141,880 | $194 | 0.0% | $50.67 | 1,248 | 4.06¢ |
| 13 | Alaska | $563,050 | $771 | 0.1% | $339.19 | 2,872 | 8.56¢ |
| 14 | Sun Country | $198,250 | $272 | 0.0% | $95.77 | 1,002 | 9.56¢ |
| 15 | American Trans Air | $175,870 | $241 | 0.0% | $206.90 | 1,692 | 12.09¢ |
| *Total of Above* | | *$754,607,540* | *$1,033,709* | *99.9%* | *$147.09* | *1,060* | *12.84¢* |
| **Total Revenue** | | **$755,013,610** | **$1,034,265** | **100.0%** | **$147.09** | **1,060** | **12.84¢** |

Source: U.S. DOT

## Top 15 Origin & Destination Passenger Carriers at San Antonio
### Ranked by Twelve Months Ended June 2003
Approximates 100% Sample - Directional Journeyed Domestic Passengers

| Rank | Market | YE Jun 01 | YE Jun 02 | YE Jun 03 | PDEW YE Jun 03 | Percent of YE Jun 03 | Avg. Ann. Change 01-03 | Avg. Ann. Change 02-03 |
|---|---|---|---|---|---|---|---|---|
| 1 | Southwest | 2,285,830 | 2,109,920 | 2,005,860 | 2,748 | 36.2% | -6.3% | -4.9% |
| 2 | American | 921,450 | 1,021,720 | 1,082,560 | 1,483 | 19.5% | 8.4% | 6.0% |
| 3 | Delta | 1,038,850 | 954,910 | 943,400 | 1,292 | 17.0% | -4.7% | -1.2% |
| 4 | Continental | 742,890 | 688,080 | 623,420 | 854 | 11.2% | -8.4% | -9.4% |
| 5 | United | 268,310 | 265,480 | 341,840 | 468 | 6.2% | 12.9% | 28.8% |
| 6 | Northwest | 253,780 | 213,520 | 290,660 | 398 | 5.2% | 7.0% | 36.1% |
| 7 | America West | 177,020 | 188,880 | 178,930 | 245 | 3.2% | 0.5% | -5.3% |
| 8 | Midwest Express | 60,300 | 57,060 | 55,430 | 76 | 1.0% | -4.1% | -2.9% |
| 9 | Commuters | 0 | 1,940 | 6,990 | 10 | 0.1% | 100.0% | 260.3% |
| 10 | US Airways | 4,240 | 3,800 | 4,750 | 7 | 0.1% | 5.8% | 25.0% |
| 11 | Trans States | 0 | 0 | 3,040 | 4 | 0.1% | 100.0% | 100.0% |
| 12 | Casino Express | 2,900 | 2,600 | 2,800 | 4 | 0.1% | -1.7% | 7.7% |
| 13 | Alaska | 2,260 | 2,720 | 2,290 | 3 | 0.0% | 0.7% | -15.8% |
| 14 | Sun Country | 26,840 | 7,280 | 2,070 | 3 | 0.0% | -72.2% | -71.6% |
| 15 | American Trans Air | 200 | 640 | 860 | 1 | 0.0% | 107.4% | 34.4% |
| | *Total of Above* | *5,784,870* | *5,518,550* | *5,544,900* | *7,596* | *100.0%* | *-2.1%* | *0.5%* |
| | **Total Passengers** | **6,150,740** | **5,638,450** | **5,546,430** | **7,598** | **100.0%** | **-5.0%** | **-1.6%** |

## Top 15 Domestic Origin & Destination Revenue Carriers at San Antonio
### Ranked by Twelve Months Ended June 2003
Approximates 100% Sample - Directional Journeyed Revenues

| Rank | Carrier | YE Jun 01 | YE Jun 02 | YE Jun 03 | RDEW YE Jun 03 | Percent of YE Jun 03 | Avg. Ann. Change 01-03 | Avg. Ann. Change 02-03 |
|---|---|---|---|---|---|---|---|---|
| 1 | Southwest | $223,046,260 | $195,854,380 | $195,112,980 | $267,278 | 25.8% | -6.5% | -0.4% |
| 2 | American | $161,921,610 | $153,027,150 | $161,255,060 | $220,897 | 21.4% | -0.2% | 5.4% |
| 3 | Delta | $179,341,560 | $152,685,190 | $158,106,920 | $216,585 | 20.9% | -6.1% | 3.6% |
| 4 | Continental | $125,418,400 | $104,202,770 | $99,493,700 | $136,293 | 13.2% | -10.9% | -4.5% |
| 5 | United | $49,419,880 | $44,233,900 | $55,107,420 | $75,490 | 7.3% | 5.6% | 24.6% |
| 6 | Northwest | $41,364,120 | $33,930,450 | $46,389,200 | $63,547 | 6.1% | 5.9% | 36.7% |
| 7 | America West | $26,200,890 | $26,268,170 | $27,151,410 | $37,194 | 3.6% | 1.8% | 3.4% |
| 8 | Midwest Express | $10,120,170 | $9,278,410 | $8,423,970 | $11,540 | 1.1% | -8.8% | -9.2% |
| 9 | US Airways | $1,134,360 | $852,520 | $1,085,630 | $1,487 | 0.1% | -2.2% | 27.3% |
| 10 | Commuters | $0 | $364,300 | $939,410 | $1,287 | 0.1% | 100.0% | 157.9% |
| 11 | Alaska | $686,320 | $849,240 | $563,050 | $771 | 0.1% | -9.4% | -33.7% |
| 12 | Trans States | $0 | $0 | $462,790 | $634 | 0.1% | 100.0% | 100.0% |
| 13 | Sun Country | $3,285,570 | $683,880 | $198,250 | $272 | 0.0% | -75.4% | -71.0% |
| 14 | American Trans Air | $35,920 | $133,720 | $175,870 | $241 | 0.0% | 121.3% | 31.5% |
| 15 | Hawaiian | $218,050 | $123,380 | $156,790 | $215 | 0.0% | -15.2% | 27.1% |
| | *Total of Above* | *$822,193,110* | *$722,487,460* | *$754,622,450* | *$1,033,729* | *99.9%* | *-4.2%* | *4.4%* |
| | **Total Domestic Revenue** | **$877,757,090** | **$739,239,970** | **$755,013,610** | **$1,034,265** | **100.0%** | **-7.3%** | **2.1%** |

*source: U.S. DOT*

# ATTACHMENT F

# Statistical Summary of Top 100 US Passenger Markets - Ranked by Average Fare

## Twelve Months Ended June 2003

Approximates 100% Sample -- Outbound Passengers

| Rank | Market | Revenues (000's) | O&D Paxs | Zero Fare O&D Paxs | Avg Itinerary Miles | Avg Coupons | Fared Avg. Fare | Fared Avg. Yield |
|---|---|---|---|---|---|---|---|---|
| 1 | Anchorage, AK | $259,238 | 1,395,660 | 191,340 | 1,950 | 1.5 | $215.26 | 11.04¢ |
| 2 | Cincinnati, OH | $384,498 | 2,060,630 | 192,860 | 880 | 1.3 | $205.86 | 23.39¢ |
| 3 | Charlotte, NC | $476,912 | 2,625,270 | 215,680 | 896 | 1.3 | $197.92 | 22.09¢ |
| 4 | San Francisco, CA | $1,276,911 | 7,353,020 | 893,140 | 1,747 | 1.3 | $197.67 | 11.31¢ |
| 5 | Greenville/Spartanburg, SC | $109,068 | 606,640 | 47,350 | 930 | 1.7 | $195.01 | 20.97¢ |
| 6 | Minneapolis, MN | $1,084,317 | 6,305,260 | 515,760 | 1,081 | 1.3 | $187.29 | 17.33¢ |
| 7 | Richmond, VA | $183,533 | 1,072,710 | 77,140 | 1,000 | 1.6 | $184.35 | 18.43¢ |
| 8 | Knoxville, TN | $105,061 | 617,970 | 42,660 | 973 | 1.8 | $182.62 | 18.77¢ |
| 9 | Washington, DC | $1,586,410 | 9,431,990 | 651,630 | 1,084 | 1.3 | $180.68 | 16.67¢ |
| 10 | Charleston, SC | $121,463 | 734,320 | 59,480 | 972 | 1.7 | $179.99 | 18.52¢ |
| 11 | San Juan, PR | $454,858 | 2,690,100 | 140,890 | 1,688 | 1.3 | $178.43 | 10.57¢ |
| 12 | Portland, ME | $94,968 | 597,040 | 62,580 | 1,252 | 1.8 | $177.69 | 14.19¢ |
| 13 | Philadelphia, PA | $1,016,138 | 6,279,830 | 463,550 | 1,171 | 1.3 | $174.71 | 14.92¢ |
| 14 | Memphis, TN | $287,811 | 1,753,430 | 94,390 | 844 | 1.4 | $173.48 | 20.55¢ |
| 15 | Boston, MA | $1,252,401 | 7,996,690 | 649,860 | 1,268 | 1.3 | $170.47 | 13.44¢ |
| 16 | New York, NY | $3,765,495 | 24,225,490 | 1,606,000 | 1,260 | 1.2 | $166.47 | 13.21¢ |
| 17 | Colorado Springs, CO | $146,023 | 954,170 | 72,250 | 1,137 | 1.7 | $165.57 | 14.56¢ |
| 18 | Harrisburg, PA | $94,826 | 613,450 | 40,240 | 1,116 | 1.8 | $165.43 | 14.82¢ |
| 19 | Dallas/Ft Worth, TX | $1,676,512 | 11,039,420 | 868,250 | 917 | 1.2 | $164.83 | 17.97¢ |
| 20 | Indio/Palm Springs, CA | $75,884 | 527,520 | 66,320 | 1,357 | 1.6 | $164.54 | 12.12¢ |
| 21 | Pittsburgh, PA | $470,910 | 3,089,180 | 224,780 | 915 | 1.3 | $164.40 | 17.97¢ |
| 22 | Los Angeles, CA | $2,045,032 | 13,994,030 | 1,290,220 | 1,556 | 1.3 | $160.98 | 10.35¢ |
| 23 | Syracuse, NY | $127,459 | 861,060 | 65,000 | 1,133 | 1.7 | $160.11 | 14.13¢ |
| 24 | Miami, FL | $611,173 | 4,218,210 | 369,340 | 1,274 | 1.4 | $158.79 | 12.46¢ |
| 25 | Denver, CO | $1,248,489 | 8,596,830 | 734,130 | 1,116 | 1.3 | $158.79 | 14.23¢ |
| 26 | Houston, TX | $1,146,486 | 7,981,270 | 643,170 | 960 | 1.3 | $156.24 | 16.27¢ |
| 27 | Cleveland, OH | $471,071 | 3,251,090 | 228,270 | 996 | 1.4 | $155.84 | 15.65¢ |
| 28 | Jackson/Vicksburg, MS | $82,801 | 572,720 | 33,460 | 939 | 1.7 | $153.55 | 16.35¢ |
| 29 | Detroit, MI | $904,922 | 6,314,990 | 420,560 | 1,017 | 1.3 | $153.52 | 15.10¢ |
| 30 | Des Moines, IA | $112,334 | 779,410 | 44,600 | 1,095 | 1.8 | $152.87 | 13.96¢ |
| 31 | Burlington, VT | $72,487 | 517,050 | 38,150 | 1,193 | 1.7 | $151.36 | 12.69¢ |
| 32 | Hartford, CT | $408,500 | 2,949,590 | 220,770 | 1,309 | 1.6 | $149.70 | 11.44¢ |
| 33 | Grand Rapids, MI | $121,232 | 878,800 | 60,390 | 1,110 | 1.9 | $148.13 | 13.35¢ |
| 34 | Honolulu, HI | $737,782 | 5,623,480 | 638,190 | 1,719 | 1.3 | $147.99 | 8.61¢ |
| 35 | Austin, TX | $376,906 | 2,797,540 | 245,020 | 1,049 | 1.5 | $147.66 | 14.08¢ |
| 36 | San Antonio, TX | $377,513 | 2,764,000 | 205,800 | 1,061 | 1.6 | $147.57 | 13.91¢ |
| 37 | Kahului, HI | $293,936 | 2,275,340 | 277,530 | 1,625 | 1.3 | $147.13 | 9.05¢ |
| 38 | Seattle/Tacoma, WA | $1,193,170 | 8,849,630 | 724,630 | 1,452 | 1.3 | $146.85 | 10.11¢ |
| 39 | Milwaukee, WI | $309,905 | 2,289,440 | 151,860 | 1,005 | 1.5 | $144.98 | 14.43¢ |
| 40 | Norfolk, VA | $216,108 | 1,592,650 | 91,720 | 1,132 | 1.7 | $143.98 | 12.72¢ |
| 41 | Greensboro, NC | $153,532 | 1,124,720 | 54,740 | 822 | 1.6 | $143.49 | 17.46¢ |
| 42 | Atlanta, GA | $1,551,026 | 11,517,300 | 662,760 | 861 | 1.2 | $142.89 | 16.60¢ |
| 43 | Birmingham, AL | $166,164 | 1,251,160 | 86,930 | 945 | 1.6 | $142.72 | 15.10¢ |
| 44 | Pensacola, FL | $82,061 | 607,660 | 31,180 | 974 | 1.8 | $142.35 | 14.61¢ |
| 45 | St Louis, MO | $615,766 | 4,644,530 | 306,980 | 877 | 1.2 | $141.96 | 16.19¢ |
| 46 | Albany, NY | $172,465 | 1,320,790 | 100,750 | 1,209 | 1.7 | $141.36 | 11.69¢ |
| 47 | Santa Ana, CA | $502,463 | 3,898,290 | 319,270 | 1,143 | 1.4 | $140.39 | 12.28¢ |
| 48 | Oklahoma City, OK | $182,644 | 1,401,670 | 88,020 | 977 | 1.7 | $139.04 | 14.23¢ |
| 49 | Little Rock, AR | $128,338 | 987,000 | 57,890 | 895 | 1.7 | $138.13 | 15.43¢ |
| 50 | Wichita, KS | $81,974 | 616,710 | 21,740 | 1,072 | 1.7 | $137.78 | 12.85¢ |

*continued on next page* ⟶

source: *U.S. DOT*

# Statistical Summary of Top 100 US Passenger Markets - Ranked by Average Fare

## Twelve Months Ended June 2003

Approximates 100% Sample -- Outbound Passengers

| Rank | Market | Revenues (000's) | O&D Paxs | Zero Fare O&D Paxs | Avg Itinerary Miles | Avg Coupons | Fared Avg. Fare | Fared Avg. Yield |
|---|---|---|---|---|---|---|---|---|
| 51 | San Diego, CA | $843,124 | 6,697,800 | 562,810 | 1,314 | 1.4 | $137.43 | 10.46¢ |
| 52 | Madison, WI | $91,405 | 710,290 | 44,250 | 1,110 | 1.9 | $137.24 | 12.36¢ |
| 53 | Providence, RI | $315,734 | 2,501,060 | 188,400 | 1,243 | 1.5 | $136.52 | 10.98¢ |
| 54 | Tucson, AZ | $198,494 | 1,579,890 | 125,460 | 1,169 | 1.6 | $136.48 | 11.67¢ |
| 55 | Salt Lake City, UT | $600,695 | 4,738,840 | 335,060 | 1,032 | 1.3 | $136.40 | 13.22¢ |
| 56 | Manchester, NH | $209,726 | 1,653,080 | 111,950 | 1,237 | 1.6 | $136.09 | 11.00¢ |
| 57 | Tulsa, OK | $154,943 | 1,234,320 | 92,600 | 911 | 1.6 | $135.71 | 14.90¢ |
| 58 | Portland, OR | $601,422 | 4,819,010 | 380,420 | 1,309 | 1.4 | $135.50 | 10.35¢ |
| 59 | Rochester, NY | $142,211 | 1,117,010 | 66,450 | 950 | 1.6 | $135.37 | 14.25¢ |
| 60 | Omaha, NE | $209,208 | 1,641,450 | 91,170 | 1,038 | 1.6 | $134.95 | 13.00¢ |
| 61 | Savannah, GA | $95,527 | 755,640 | 45,640 | 939 | 1.8 | $134.55 | 14.33¢ |
| 62 | Chicago, IL | $2,275,912 | 18,020,260 | 1,085,220 | 980 | 1.1 | $134.39 | 13.71¢ |
| 63 | Sarasota/Bradenton, FL | $63,380 | 516,450 | 44,640 | 1,089 | 1.7 | $134.33 | 12.34¢ |
| 64 | Kona, HI | $128,071 | 1,085,900 | 127,920 | 1,216 | 1.3 | $133.69 | 10.99¢ |
| 65 | El Paso, TX | $159,043 | 1,266,820 | 76,020 | 965 | 1.5 | $133.56 | 13.84¢ |
| 66 | Louisville, KY | $193,203 | 1,537,480 | 86,010 | 901 | 1.6 | $133.11 | 14.77¢ |
| 67 | Nashville, TN | $383,513 | 3,140,630 | 224,590 | 902 | 1.4 | $131.52 | 14.58¢ |
| 68 | Albuquerque, NM | $295,920 | 2,471,590 | 218,070 | 1,008 | 1.5 | $131.31 | 13.03¢ |
| 69 | Dayton, OH | $145,065 | 1,146,770 | 39,300 | 922 | 1.7 | $130.99 | 14.21¢ |
| 70 | Fort Myers, FL | $310,096 | 2,557,810 | 189,070 | 1,202 | 1.5 | $130.91 | 10.89¢ |
| 71 | Raleigh/Durham, NC | $430,844 | 3,486,680 | 191,600 | 991 | 1.5 | $130.75 | 13.19¢ |
| 72 | Columbus, OH | $351,185 | 2,824,900 | 137,300 | 1,021 | 1.5 | $130.67 | 12.80¢ |
| 73 | Indianapolis, IN | $391,927 | 3,151,130 | 143,070 | 1,045 | 1.5 | $130.29 | 12.47¢ |
| 74 | West Palm Beach, FL | $321,879 | 2,701,260 | 227,330 | 1,140 | 1.4 | $130.11 | 11.41¢ |
| 75 | Jacksonville, FL | $270,247 | 2,220,620 | 141,030 | 987 | 1.6 | $129.95 | 13.17¢ |
| 76 | New Orleans, LA | $471,894 | 3,962,020 | 255,770 | 999 | 1.5 | $127.32 | 12.75¢ |
| 77 | Tallahassee, FL | $60,118 | 506,560 | 21,090 | 758 | 1.6 | $123.84 | 16.34¢ |
| 78 | San Jose, CA | $532,438 | 4,599,080 | 297,340 | 1,109 | 1.3 | $123.77 | 11.16¢ |
| 79 | Long Beach, CA | $133,156 | 1,094,660 | 18,460 | 1,563 | 1.1 | $123.73 | 7.92¢ |
| 80 | Kansas City, MO | $483,154 | 4,137,640 | 230,850 | 951 | 1.4 | $123.67 | 13.00¢ |
| 81 | Akron/Canton, OH | $56,704 | 475,970 | 12,070 | 827 | 1.7 | $122.23 | 14.78¢ |
| 82 | Orlando, FL | $1,227,361 | 10,790,130 | 695,290 | 1,130 | 1.3 | $121.58 | 10.76¢ |
| 83 | Baltimore, MD | $847,995 | 7,420,050 | 415,370 | 1,085 | 1.3 | $121.06 | 11.16¢ |
| 84 | Phoenix, AZ | $1,113,668 | 10,037,260 | 832,670 | 1,158 | 1.2 | $120.99 | 10.45¢ |
| 85 | Tampa, FL | $774,504 | 6,927,150 | 451,770 | 1,090 | 1.4 | $119.61 | 10.97¢ |
| 86 | Fort Lauderdale, FL | $826,421 | 7,381,370 | 431,020 | 1,202 | 1.3 | $118.90 | 9.89¢ |
| 87 | Boise, ID | $133,782 | 1,198,140 | 71,580 | 920 | 1.5 | $118.75 | 12.91¢ |
| 88 | Buffalo, NY | $210,654 | 1,879,400 | 97,990 | 1,002 | 1.6 | $118.25 | 11.80¢ |
| 89 | Lihue, HI | $120,959 | 1,162,950 | 124,480 | 1,071 | 1.3 | $116.48 | 10.88¢ |
| 90 | Sacramento, CA | $435,613 | 4,045,980 | 254,120 | 1,065 | 1.3 | $114.88 | 10.79¢ |
| 91 | Spokane, WA | $135,933 | 1,271,590 | 88,090 | 1,014 | 1.5 | $114.86 | 11.33¢ |
| 92 | Las Vegas, NV | $1,376,785 | 12,962,370 | 801,200 | 1,213 | 1.3 | $113.21 | 9.33¢ |
| 93 | Ontario, CA | $311,869 | 2,949,250 | 174,270 | 1,041 | 1.4 | $112.39 | 10.80¢ |
| 94 | Reno, NV | $208,557 | 2,009,080 | 130,780 | 1,031 | 1.5 | $111.03 | 10.77¢ |
| 95 | Lubbock, TX | $49,126 | 485,170 | 38,160 | 688 | 1.5 | $109.90 | 15.97¢ |
| 96 | Long Island, NY | $93,503 | 933,820 | 81,270 | 1,043 | 1.4 | $109.67 | 10.52¢ |
| 97 | Myrtle Beach, SC | $60,728 | 572,970 | 18,410 | 783 | 1.6 | $109.51 | 13.99¢ |
| 98 | Oakland, CA | $590,274 | 5,955,270 | 351,140 | 1,012 | 1.2 | $105.33 | 10.41¢ |
| 99 | Burbank, CA | $200,656 | 2,306,880 | 124,530 | 629 | 1.2 | $91.94 | 14.62¢ |
| 100 | Hilo, HI | $34,269 | 621,240 | 48,470 | 385 | 1.1 | $59.83 | 15.54¢ |
| | *Total of Top 100 Markets* | *$49,089,872* | *365,709,440* | *26,430,790* | *1,054* | *1.4* | *$144.69* | *12.73¢* |
| | **Total of All US Markets** | **$53,216,822** | **392,634,570** | **28,252,530** | **1,130** | **1.4** | **$146.05** | **12.92¢** |

Source: *U.S. DOT*

# ATTACHMENT G

# ATTACHMENT H

# ATTACHMENT I

confer the privilege of supplying goods, commodities, and services at the Airport and to establish the terms and conditions and fix the charges, rentals or fees for such privileges or services; and

**WHEREAS,** the City acknowledges its obligation to comply with the Concurrent Bond Ordinances, under which the City has covenanted to maximize the revenues that are received from the operation of the Airport system, and to maintain, preserve, and operate the Airport in such manner as will qualify the Airport to receive maximum financial aid from federal or state sources; and

**WHEREAS,** the City acknowledges its obligations to comply with certain Federal Grant Assurances with regard to airport development projects for which funds have been obtained under the Airport and Airway Improvement Act of 1982, as amended, and specifically the assurance that the Airport will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the Airport as self-sustaining as possible; and

**WHEREAS,** the Airport does not receive ad valorem tax support and relies on grants and rentals, concession fees, privilege fees and other revenues from Airport operations to finance its substantial development and operating costs; and

**WHEREAS,** it is the policy of the City and Airport to establish such reasonable fees and charges for Airport users as will include an amount that will represent a privilege for the use and benefit of all of the Airport, which fee will be appropriately designed for each classification of business to maximize Airport revenues; and

**WHEREAS,** certain Airport Parking companies do business at the Airport as off-airport operators, without being party to Lease and Concession Agreements with the Airport; and

**WHEREAS,** the City finds that Airport Parking Businesses constitute a specific and separate class of business operations at San Antonio International Airport and derive substantial benefits from the use of the Airport; and

**WHEREAS,** Airport Parking Businesses depend upon the Airport and Airport Customers to derive substantial revenues for their businesses; and

**WHEREAS,** during fiscal year 99 - 00 the Concessionaire Car Rental Businesses paid to the Airport approximately $5,836,885.00 in a privilege fee for accessing and using the Airport to pick-up and drop-off Airport customers and based on ten percent (10%) of their gross receipts or a minimum annual guarantee, plus approximately $243,490.00 for counter space rental; the Non-Concessionaire Car Rental Businesses during the same period paid to the Airport approximately $19,596.00 in a privilege fee for assessing and using the Airport to pick-up and drop-off Airport customers; while the Airport Parking Businesses did not pay any fees to the Airport for accessing and using the Airport to pick-up and drop-off Airport Customers; and

**WHEREAS,** the City finds that the benefits which the Airport Parking Businesses derive from their use of the Airport and operation upon the Airport is disproportionate to the amount of fees which they pay to the Airport and thereby causes a discrepancy between the revenues received from all Businesses that access and use the Airport to pick-up and drop-off Airport customers; and

**WHEREAS,** the City finds that, because there exists a disproportionate relationship between the benefit the Airport Parking Businesses receive from the Airport and the amount of fees they pay to the Airport, the Airport is losing substantial revenues, is not maximizing its revenues, and has caused a discrepancy between the revenues received from Businesses that access and use the Airport to pick-up and drop-off Airport customers; and

**WHEREAS,** Airport Parking Businesses throughout the nation are now paying a percentage of gross receipts fees at many of the airports for the right to conduct operations upon airports, and the City believes it advisable to pattern its fees in the same manner at the San Antonio International Airport; and

**WHEREAS,** the City finds that the most rational method of assessing privilege fees to Airport Parking Businesses is through a percentage of gross revenue formula, relating only to Airport-generated customers, which should have the effect of recouping revenue being lost, and maximizing the Airport's revenue, and, finally, such a fee would treat the small and large Airport Parking Businesses alike; and

**WHEREAS,** in establishing these permit fees, the City has given due regard to the benefits received, property and improvements used, and the expenses of Airport operation; and

**WHEREAS,** the City finds that the charges and fees established and fixed herein for Airport Parking Businesses are reasonable and uniform for the same class of privilege or service and are reasonable compensation from the Airport accessors and users to the City for the use of Airport facilities and are necessary to help defray the expense of operating and maintaining the Airport; and

**WHEREAS,** in order to protect the public; to preserve order; to provide for the public health, safety and welfare; to enhance the Airport as a public transportation facility; to protect established sources of revenue to the Airport; to maximize revenue to the Airport; and to maintain, administer, govern and operate the Airport; it is necessary and proper to fix charges and fees to access and use Airport property and facilities and to regulate those persons, firms and corporations who use the same for private business and commercial purposes without having leases, agreements or concession contracts with the City and who desire to exercise the privilege of using Airport property and facilities in such business and commercial endeavors, including the Airport Parking Businesses which desire the privileges of accessing the Airport, picking-up and dropping-off passengers, the right to access the Reservations Board, and supplying services to Airport passengers picked up and dropped off at the Airport; and

**WHEREAS,** in consideration of all of the factors, reasons and purposes set forth above, the City finds that reasonable regulations, standards, controls, charges, fees, rules and procedures are required for Airport Parking Businesses desiring to do business and to serve airport customers on Airport property; and

**WHEREAS,** Airport Parking Businesses desire the privilege of doing business on and the use of Airport property for commercial purposes of providing services and conducting business at the Airport with Airport customers for the transportation of Airport customers to and from the Airport; and

**WHEREAS,** Airport Parking Businesses do not have a lease agreement with the City for lease of specific property at the Airport, nor does such Airport Parking Businesses have any other contract or agreement with the City covering their commercial use of the Airport; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**Section 1.** Ordinance No. 74437 passed and approved on September 26, 1991 is hereby amended to revise the charges for aircraft parking and storage at San Antonio International Airport.

**Section 2.** Section 5 of Ordinance No. 74437 of September 26, 1991 is replaced in its entirety as follows:

Section 5. Rates for Parking and Storage of Aircraft. The following charges shall be made for the parking and storage of aircraft:

| Certificated Maximum Gross Landing Weight of Aircraft, Lb. | Hourly Rate | Maximum Daily Rate |
|---|---|---|
| 12,500 and under | $ 4.75 | $ 19.00 |
| 12,501 to 30,000 | 9.50 | 38.00 |
| 30,001 to 75,000 | 11.75 | 47.00 |
| 75,001 to 140,000 | 14.00 | 56.00 |
| 140,001 to 200,000 | 18.75 | 75.00 |

| | | |
|---|---|---|
| 200,001 to 250,000 | 28.00 | 112.00 |
| 250,001 to 410,000 | 37.50 | 150.00 |
| Above 410,000 | $47.00 | $188.00 |

**Section 3.** All other provisions of Ordinance No. 74437 of September 26, 1991 remain unchanged.

**Section 4.** The Aviation Director is hereby authorized to grant Non-Exclusive User Permits substantially in the same form as the SAN ANTONIO INTERNATIONAL AIRPORT PARKING BUSINESS PERMIT attached hereto as Exhibit 1, and incorporated by reference herein. Said Permit grants permission and access to the Airport by Airport Parking Businesses utilizing the San Antonio International Airport System for an initial term of three (3) years beginning January 1, 2001 and ending December 31, 2003, with two (2) one (1) year mutual options to extend.

**Section 5.** The Permit authorizes Airport Parking Businesses to access and use the Airport for picking up and dropping off, loading and unloading of Airport patrons at designated locations and provides Airport Parking Businesses access to the San Antonio International Airport Advertising Concessionaire's Advertising and Reservation Board located in the Baggage Claims Areas of Airport Terminals.

**Section 6.** The Permit establishes a user fee based upon the benefits derived by Airport Parking Businesses and their use of San Antonio International Airport and such Permit and user fees shall be a percentage of Airport Gross Revenues generated by Permittee from Airport Customers, and such percentage of Airport Gross Revenues shall be 8%. The first $25,000.00 of Permittee's Airport Gross Revenues generated by a Permittee from Airport customers shall be excluded.

**Section 7.** Revenues will be recorded in Fund 51-001 (Airport Fund) Index Code 059410 (Car Rental Permits). The permits will begin January 1, 2001.

**Section 8.** This ordinance will become effective on the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 14th day of September, 2000.

M A Y O R

ATTEST: ______________________
City Clerk

APPROVED AS TO FORM: [signature]
City Attorney

ORD. NO. 92519

SEP 14 2000

[signature]
CITY CLERK

# ATTACHMENT J

# ATTACHMENT K

SAT MUFIDS GATE MONITORING REPORT FOR THE MONTH ENDING:

| GATE # | AIRLINE ASSIGNED | DAILY DEPARTS | DAILY ARRIVALS | WEEKLY AVG. DEPARTS | WEEKLY AVG. ARRIVALS | MO. AVG. DEPARTS | MO. AVG. ARRIVALS | TIME GATE UTILIZED | AVAIL. SLOTS* |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | | | | | | | | |
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| 16 | | | | | | | | | |
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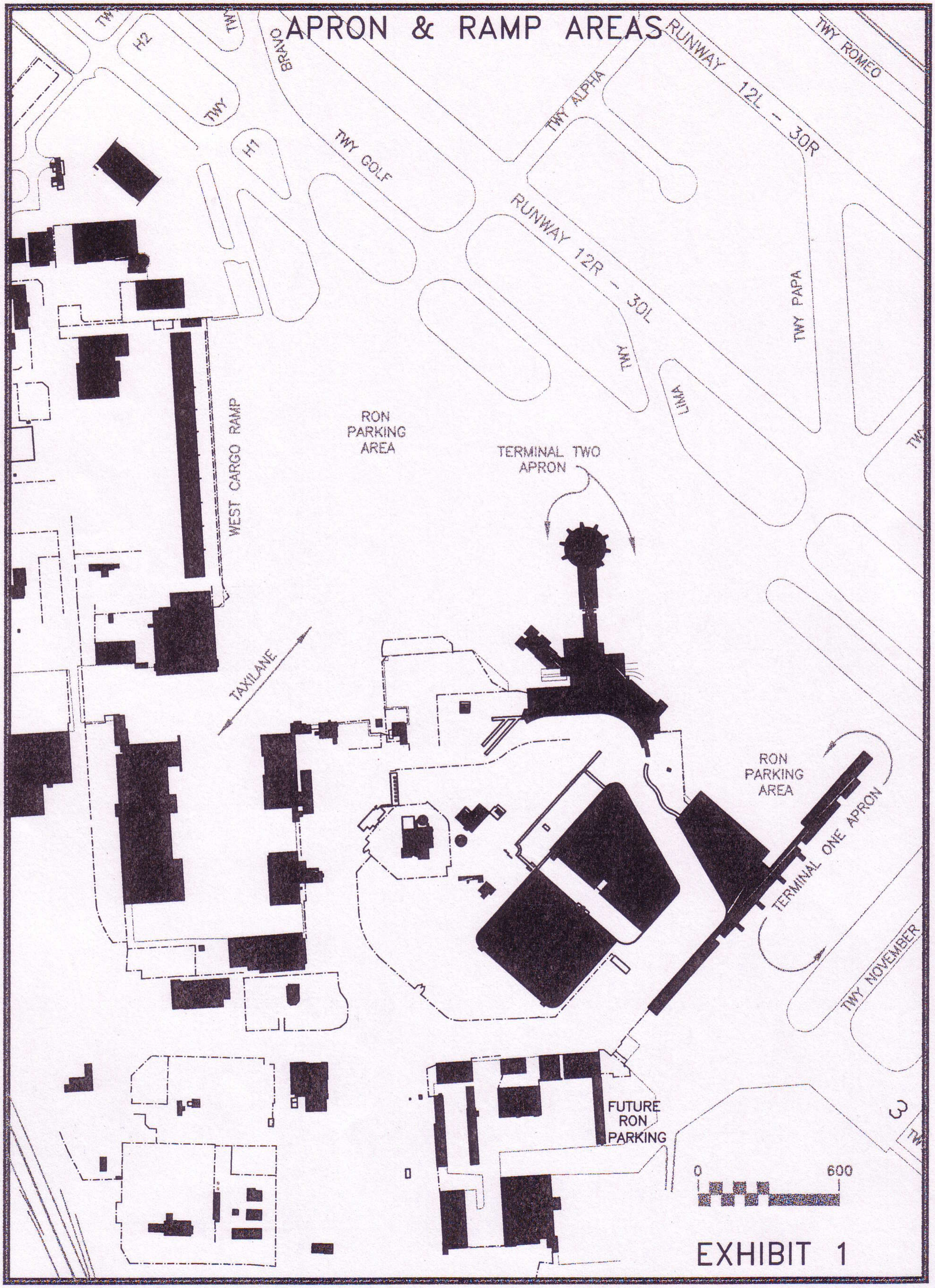
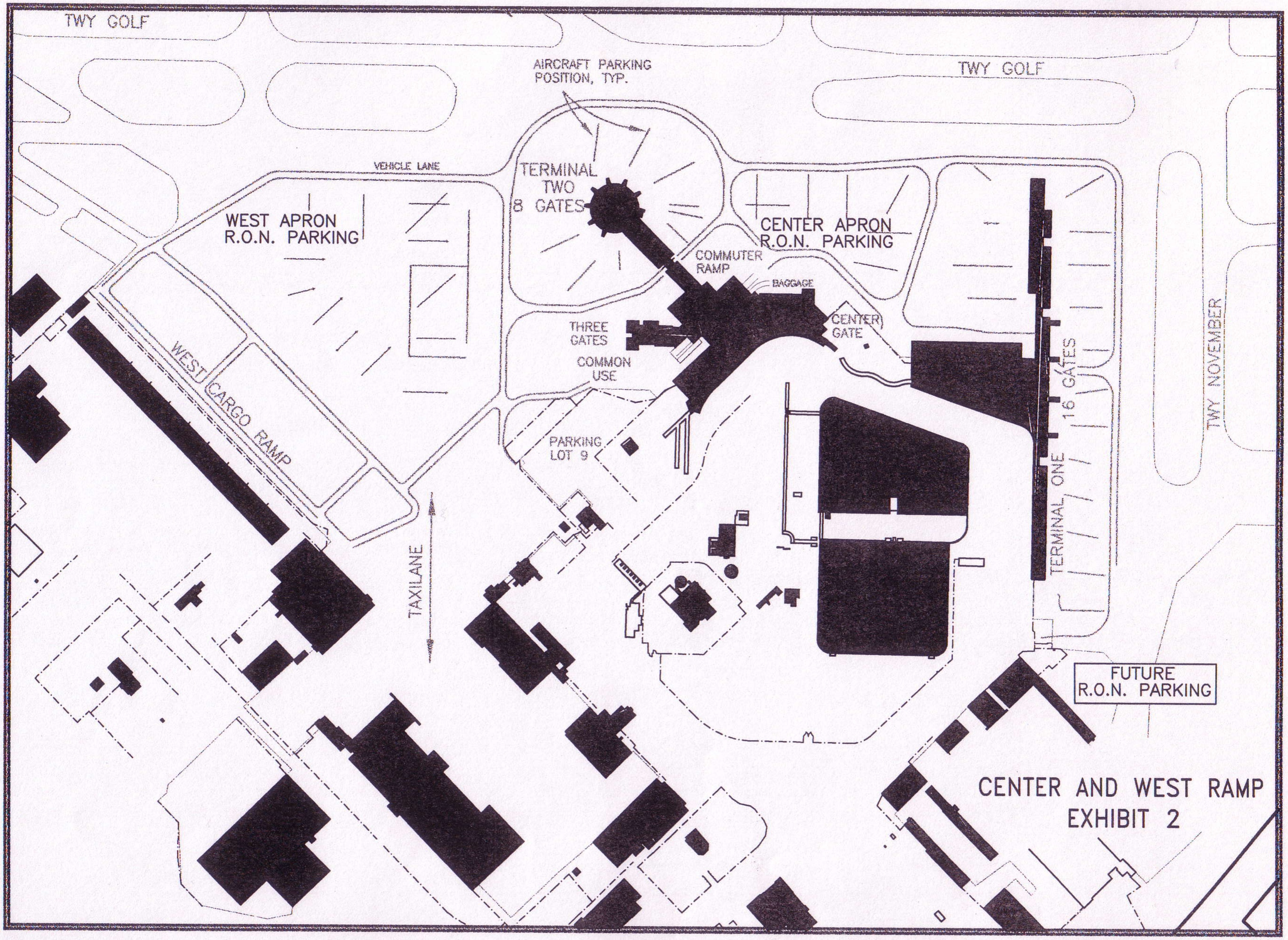
| 37 | | | | | | | | | |
| 39 | | | | | | | | | |
| 40 | | | | | | | | | |
| 41 | | | | | | | | | |

*2 Hours Max. Not in Use

# Exhibits


APRON & RAMP AREAS
RUNWAY 12L - 30R
RUNWAY 12R - 30L
TWY ROMEO
TWY ALPHA
TWY GOLF
BRAVO
H1
H2
TWY
TWY PAPA
LIMA
TWY NOVEMBER
WEST CARGO RAMP
RON
PARKING
AREA
TERMINAL TWO
APRON
TAXILANE
RON
PARKING
AREA
TERMINAL ONE APRON
FUTURE
RON
PARKING
0
600
EXHIBIT 1
3


TWY GOLF
AIRCRAFT PARKING POSITION, TYP.
TWY GOLF
VEHICLE LANE
TERMINAL TWO 8 GATES
WEST APRON R.O.N. PARKING
CENTER APRON R.O.N. PARKING
COMMUTER RAMP
BAGGAGE
CENTER GATE
THREE GATES
COMMON USE
PARKING LOT 9
16 GATES
TERMINAL ONE
TWY NOVEMBER
WEST CARGO RAMP
TAXILANE
FUTURE R.O.N. PARKING
CENTER AND WEST RAMP
EXHIBIT 2

## TERMINAL I

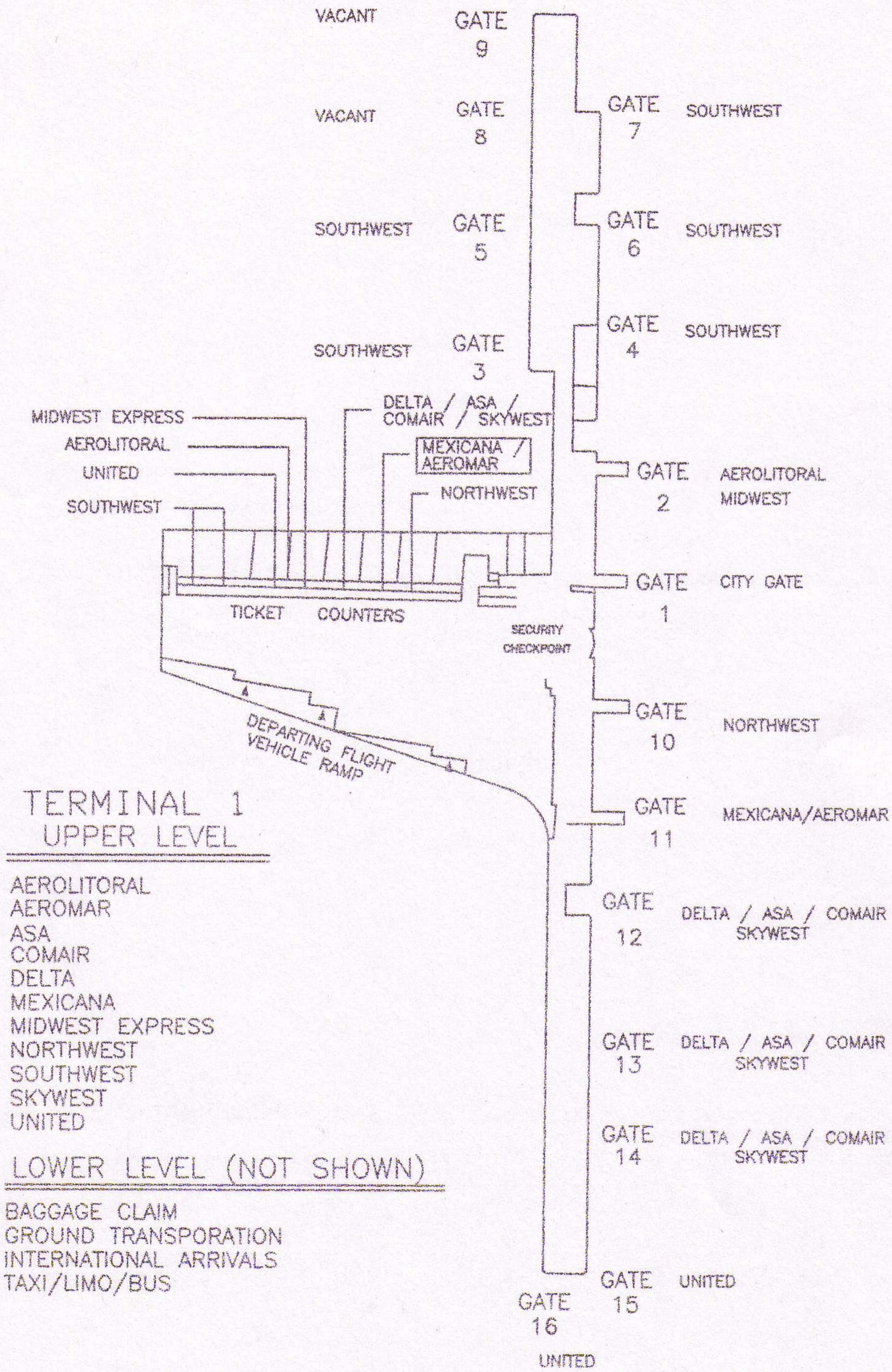
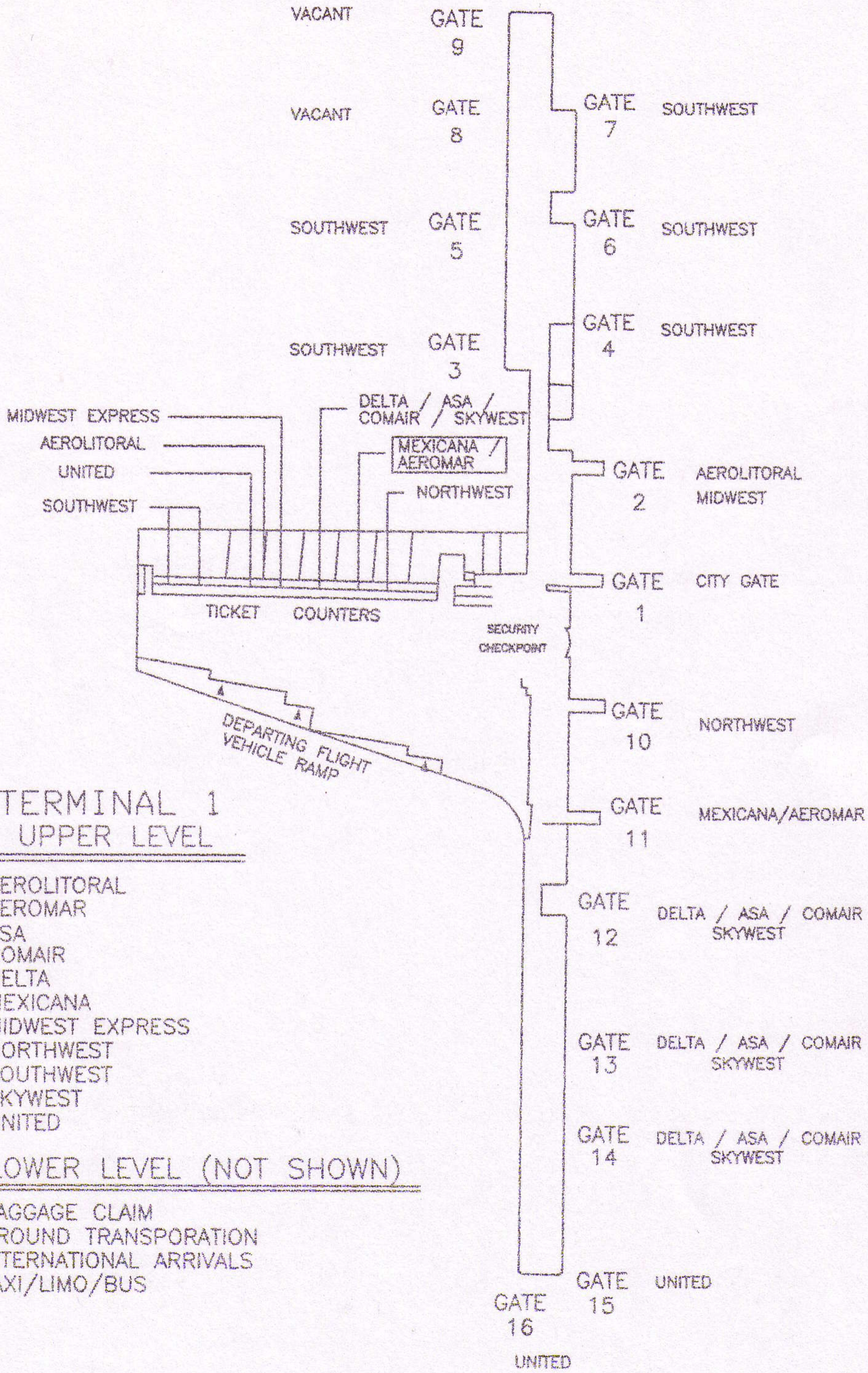



EXHIBIT 3

TERMINAL I




TERMINAL 1
UPPER LEVEL

AEROLITORAL
AEROMAR
ASA
COMAIR
DELTA
MEXICANA
MIDWEST EXPRESS
NORTHWEST
SOUTHWEST
SKYWEST
UNITED

LOWER LEVEL (NOT SHOWN)

BAGGAGE CLAIM
GROUND TRANSPORATION
INTERNATIONAL ARRIVALS
TAXI/LIMO/BUS

EXHIBIT 3

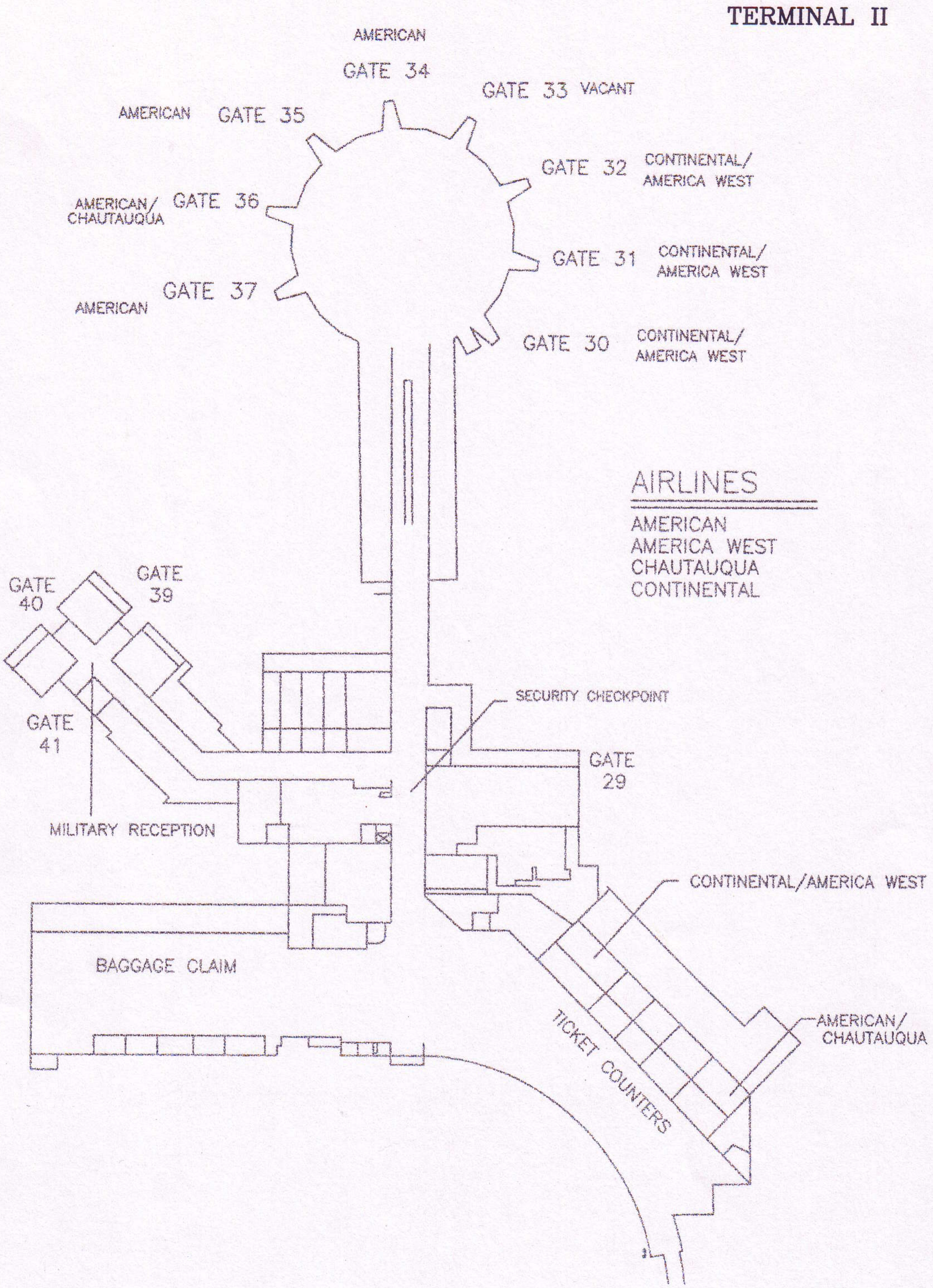

TERMINAL II
AMERICAN
GATE 34
GATE 33 VACANT
AMERICAN GATE 35
GATE 32 CONTINENTAL/
AMERICA WEST
AMERICAN/
CHAUTAUQUA
GATE 36
GATE 31 CONTINENTAL/
AMERICA WEST
GATE 37
AMERICAN
GATE 30 CONTINENTAL/
AMERICA WEST
AIRLINES
AMERICAN
AMERICA WEST
CHAUTAUQUA
CONTINENTAL
GATE
40
GATE
39
SECURITY CHECKPOINT
GATE
41
GATE
29
MILITARY RECEPTION
CONTINENTAL/AMERICA WEST
BAGGAGE CLAIM
AMERICAN/
CHAUTAUQUA
TICKET COUNTERS

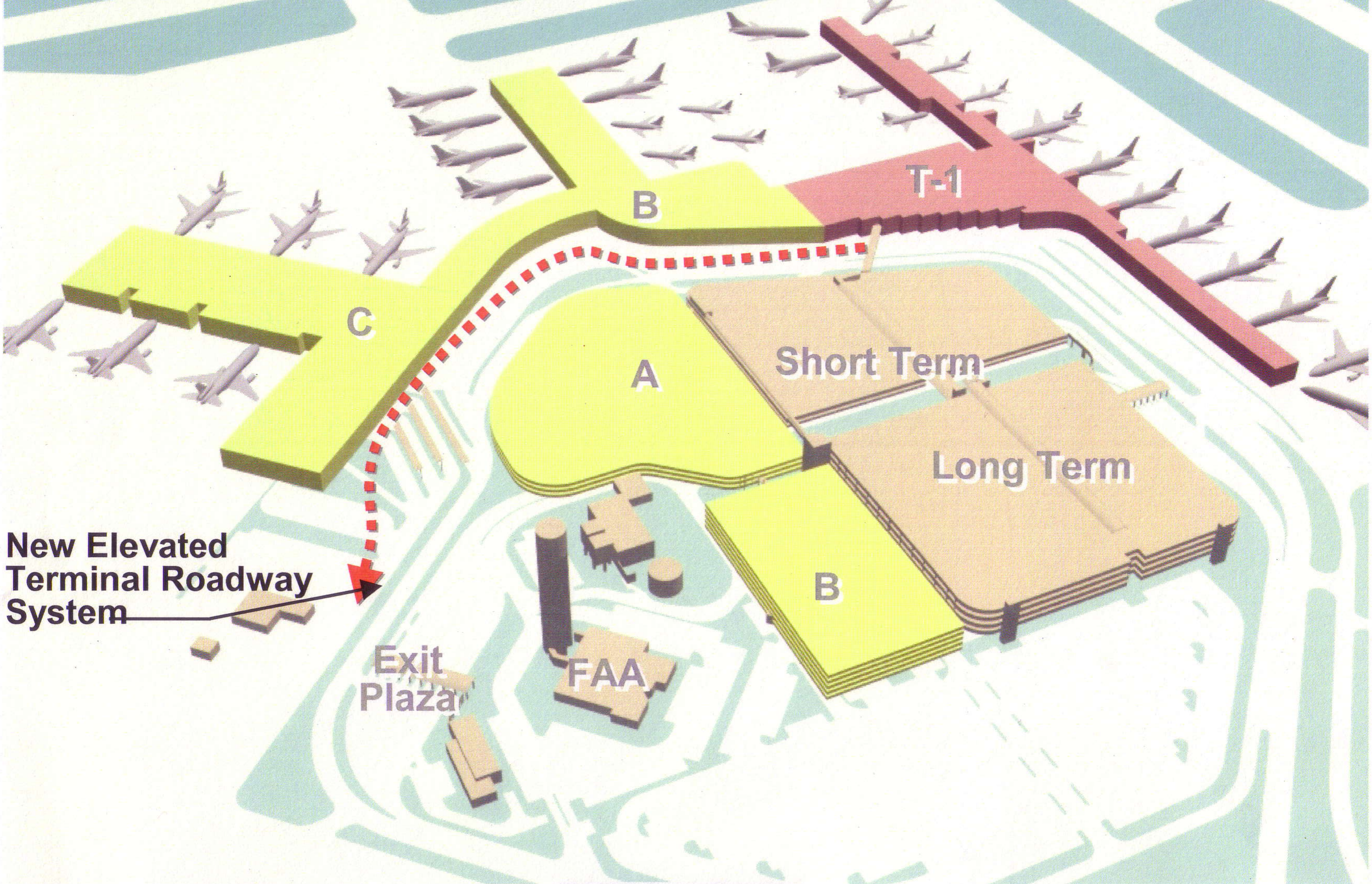
EXHIBIT 4


Marmon Mok
*architecture engineering interiors*

DDHR
DAVIS • DURAND-HOLLIS • RUPE
ARCHITECTS

**EXHIBIT 5.1**

San Antonio International Airport
Terminal Master Plan Development Thru 2008

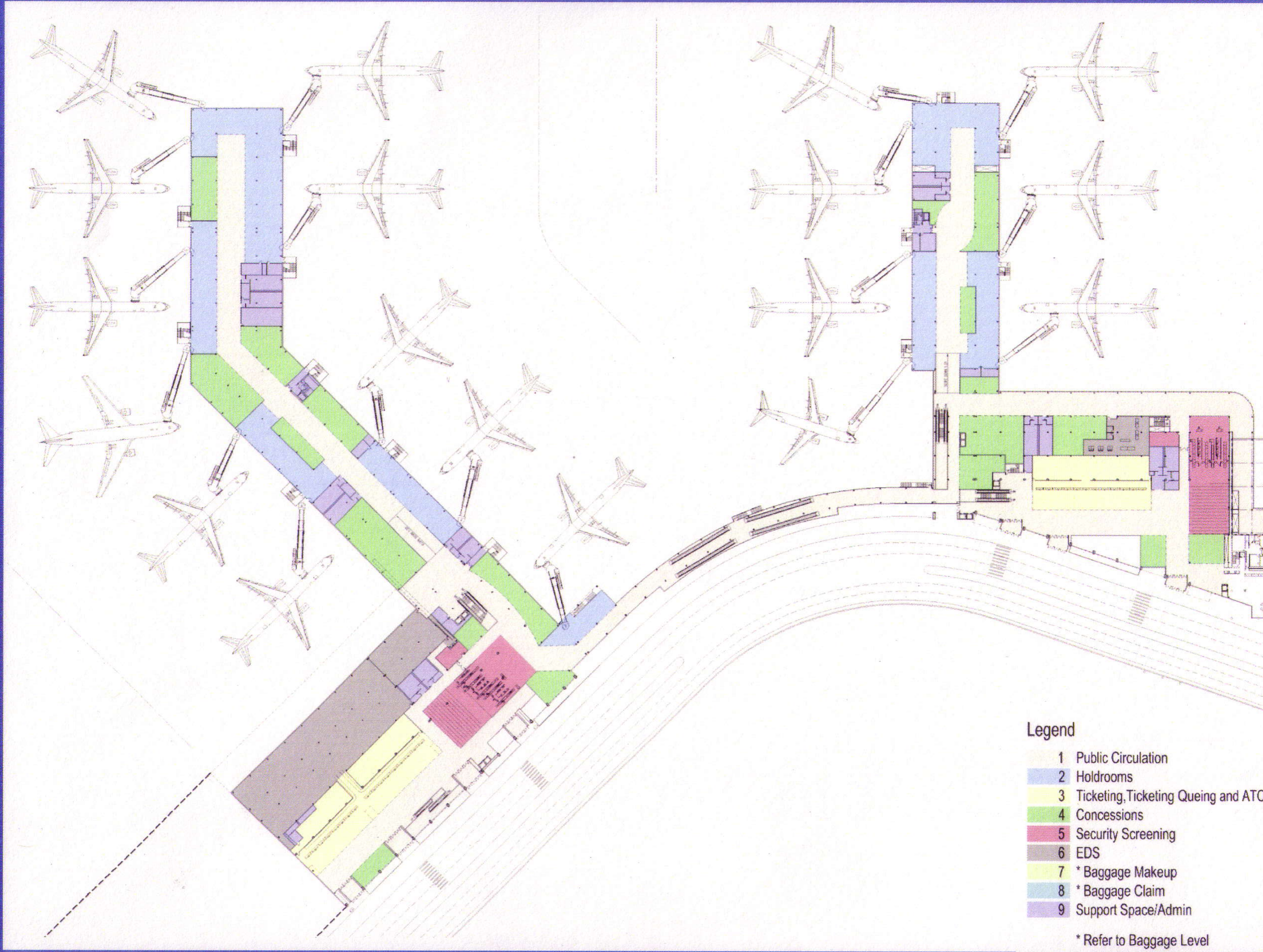



Marmon Mok
architecture engineering interiors

DDHR
DAVIS • DURAND-HOLLIS • RUPE
ARCHITECTS

**EXHIBIT 5.2**

# Terminals B and C - Ticketing Level Functional Area Floor Plans



Legend

| | |
|---|---|
| 1 | Public Circulation |
| 2 | Holdrooms |
| 3 | Ticketing,Ticketing Queing and ATO |
| 4 | Concessions |
| 5 | Security Screening |
| 6 | EDS |
| 7 | * Baggage Makeup |
| 8 | * Baggage Claim |
| 9 | Support Space/Admin |

* Refer to Baggage Level